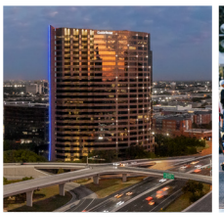
CITY OF FARMERS BRANCH, TEXAS

Annual Comprehensive Financial Report



For the Year Ended September 30, 2022

City of Farmers Branch, Texas
Annual Comprehensive Financial Report

For the Year Ended September 30, 2022

City Council:

Bill Glancy	Mayor
Omar Roman	Councilmember, District 1
Michael Driskill	Councilmember, District 2
Tina Bennett-Burton	Councilmember, District 3
Richard Jackson	Deputy Mayor Pro Tem, District 4
David Merritt	Mayor Pro Tem, District 5

(From Left) Mayor Pro Tem David Merritt, Mayor Bill Glancy, Councilmember Michael Driskill, Councilmember Tina Bennett-Burton, Deputy Mayor Pro Tem Richard Jackson, Councilmember Omar Roman

City Manager

Benjamin Williamson

Prepared by the

City of Farmers Branch
Finance Department
Tammy Zimmerman, CPA
Director of Finance

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For the Year Ended September 30, 2022

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(concluded)

City of Farmers Branch
13000 William Dodson Parkway
Farmers Branch, Texas 75234

March 7, 2023

Honorable Mayor and City Council
City of Farmers Branch
Farmers Branch, Texas

We are pleased to submit the Annual Comprehensive Financial Report of the City of Farmers Branch, Texas for the year ended September 30, 2022. The purpose of the report is to provide the Council, management, staff, the public and other interested parties with detailed information reflecting the City's financial condition.

THE REPORT

The Texas Local Government Code (§103.001) requires Management to present a draft of annual audits of municipalities and the City Charter (Sec. 2-18) requires a draft annual audit of the books of account, financial records, and other evidence of transactions by a certified public accountant within 120 days of the end of the fiscal year. These requirements have been fulfilled and the independent auditor's report is included with this report for the fiscal year ended September 30, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

FORVIS has issued an unmodified opinion on the City of Farmers Branch financial statements for the year ended September 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Farmers Branch (City) covers approximately 12.1 square miles and is conveniently located on Dallas' northern border. It lies in the heart of an 11-county area that has emerged as a premier commercial, financial, and trading center. Two major interstate highways (IH-35 and IH-635), the Dallas North Tollway and the President George Bush Turnpike, border the City. The Dallas/Fort Worth International Airport and the Dallas Love Field Airport are only minutes from Farmers Branch. These factors all contribute to the favorable business climate existing within the City.

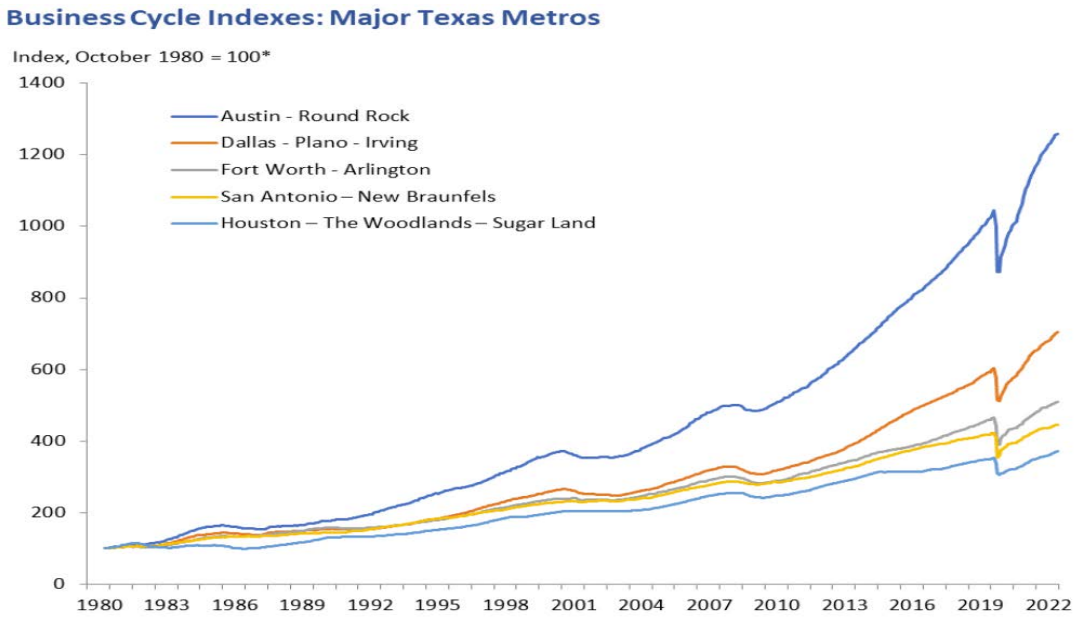
The City of Farmers Branch was incorporated in 1946 under the general laws of the State of Texas. The City operates under a Council-Manager form of government. Policy-making and legislative authority are vested in a governing council (Council) consisting of the Mayor and five other members, all elected on a non-partisan basis. The term of office is three years, with the terms of two members expiring every year. Term limits allow two terms for at-large members and an additional two terms for an at-large member who becomes Mayor. The City Manager is the chief executive officer for the City.

Although the residential population has recently been estimated at 36,570, Farmers Branch serves a daytime population of 66,000 (per the United States Census Bureau's *American Community Survey – 1 Year Preliminary Estimates*). The City provides a full range of municipal services including public safety (police and fire protection), streets, water and sanitary sewer utilities, stormwater utility, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative functions. The City of Farmers Branch also is financially accountable for Tax Increment Financing District No. 2, Tax Increment Reinvestment Zone No. 3, Tax Increment Reinvestment Zone No. 4, and the Farmers Branch Local Government Corporation (FBLGC), which are included as blended component units and the North Texas Emergency Communications Center, Inc. (NTECC) and North Dallas County Water Supply Corporation (NDCWSC), which are included as joint ventures. Additional information on these five entities can be found in the notes to the financial statements (See Note 1.A).

The City Council enacts the budget through passage of an ordinance prior to the start of each fiscal year. This budget serves as the foundation for the City of Farmers Branch's financial planning and control. Annual budgets are prepared for all governmental funds including the general fund, debt service fund and special revenue funds. Capital projects funds are budgeted over the life of a project. The City Manager is authorized to transfer resources within each department and between departments within the same fund. City Council approval is necessary for all other transfers (See Note 1.D).

LOCAL ECONOMY

According to the Federal Reserve Bank of Dallas' Economic Update published December 5, 2022, "Dallas–Fort Worth's economy expanded in October. Payroll employment grew broadly and unemployment held steady. Home sales and apartment demand fell again and home inventories rose. In the third quarter, housing affordability dipped further due to rising mortgage rates.



The City's broadly diversified economic base supports home furnishings, financial, high-tech, insurance, and telecommunications industries, and includes many of the nation's foremost businesses. Slightly more than seventy-four percent (74.42%) of the City's tax base comes from the business community.

In fiscal year 2022, adopted general fund revenues of $71,434,500 represented a slight increase from prior year actuals. General fund property tax revenues increased 11.9 percent from prior year actuals due primarily to increased residential and commercial property valuations. Sales and use tax revenues increased 9.2 percent from prior year actuals in recovering from the pandemic.

The fiscal year 2023 budget details general fund revenues at $3,232,720 greater than the 2021-22 amended budget due primarily to increased property tax revenue ($4.91 million) resulting from a 16.04% increase in taxable property values. The budget emphasizes investment in infrastructure and equipment needed to continually improve basic services to citizens. The fiscal year 2023 budget details enterprise fund revenues at $1.7 million or 5.47% less than the 2021-22 amended budget due in part to a temporary one-year reduction in the base water rate for residential customers. Enterprise fund expenses are budgeted at $1.8 million less than the 2021-22 amended budget as prior year budgets included increased pay-as-you-go funding for utility replacements and inflow and infiltration (I&I) remediation.

LONG-TERM FINANCIAL PLANNING

Users of this document, as well as others interested in the programs and services offered by the City of Farmers Branch, are encouraged to read the City's 2022-23 Fiscal Year Budget. The document details the City's long-term goals and financial policies, describes program accomplishments and initiatives, and outlines the City's capital improvement program. The City's budget also includes long-term financial plans for the general fund that forecasts revenues and expenditures over a five-year horizon. The document can be obtained from the City of Farmers Branch Finance department by calling (972) 247- 3131. The budget can also be accessed through the City's web site at www.farmersbranchtx.gov and selecting the Transparency icon located on the home page of the web site."

RELEVANT FINANCIAL POLICIES

The City's fund balance/operating position concept continues to be an important factor in policy decisions. The concept notes that the City will strive to maintain a general fund unassigned fund balance to be used for unanticipated emergencies with a low end of 15% and a high end of 20% of the actual general fund expenditures plus other financing sources and uses. These monies will be used to avoid cash flow interruptions, generate interest income, reduce the need for short-term borrowing, and assist in maintaining an investment-grade rating.

The City of Farmers Branch invests funds prudently and has adopted an investment policy, which is reviewed annually by the City Council as prescribed by State law. Staff provides a quarterly report of investments for City Council review. The City's investment practice is to buy securities and hold them to maturity to avoid potential losses from a sale. During fiscal year 2022, the City complied with all aspects of the investment policy.

MAJOR INITIATIVES

In fiscal year 2022, construction of the Mercer Crossing planned development continued on the City's west side. The impact of this estimated $1 billion value development continues to be significant. Public improvements totaling $33 million (financed with public improvement district bonds) have been constructed. As properties are developed and sold, it is anticipated that close to 10,000 new residents and many new businesses will continue to enter Farmers Branch creating new revenue and expanded needs for city services. This mixed-use development of 1,000 single-family homes, 2,250 apartment units, hotels, retail, office and restaurants is planned for build-out within three years ultimately increasing net property tax revenue (after 40% tax increment finance participation) to the City by $1.4 million per year. This additional revenue is expected to cover the increased operational cost of delivering services required by the development.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Farmers Branch for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. The City has received this prestigious award for thirty-three consecutive years. In order to be awarded a Certificate of Achievement, the City must publish easily readable and efficiently organized financial statements that satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes its current financial statements continue to meet the Certificate of Achievement Program requirements and is submitting it to the GFOA to determine eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning October 1, 2021. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the finance department and our independent auditors. We would also like to express sincere appreciation to all employees who contributed to its preparation.

In closing, without the leadership and support of the City Council, preparation of this report would not have been possible.

Sincerely,

Benjamin W. Williamson

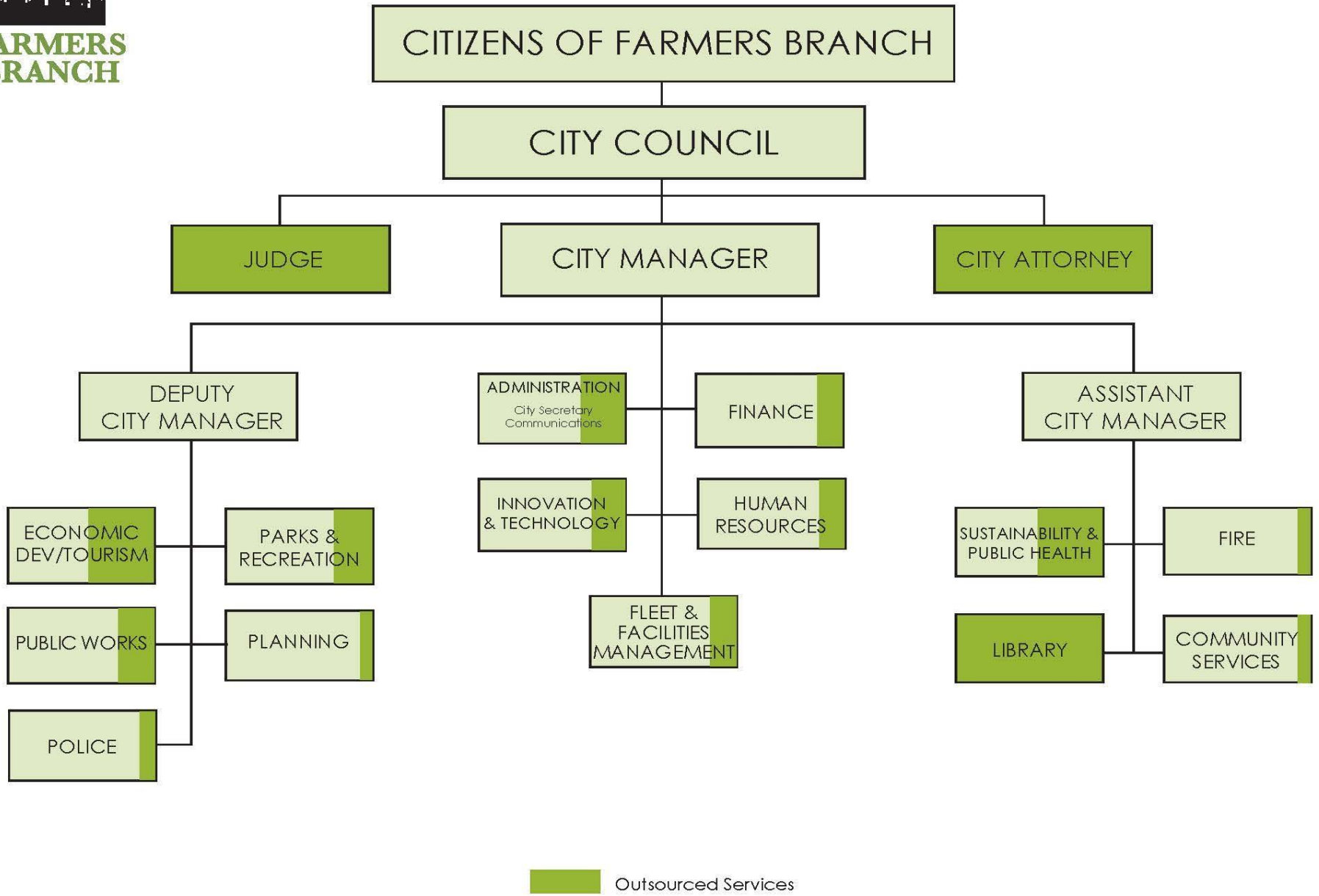
Benjamin Williamson
City Manager

T Zimmerman

Tammy Zimmerman, CPA Director of Finance

FARMERS BRANCH

CITY OF FARMERS BRANCH
FY 2021-22 ORGANIZATION CHART



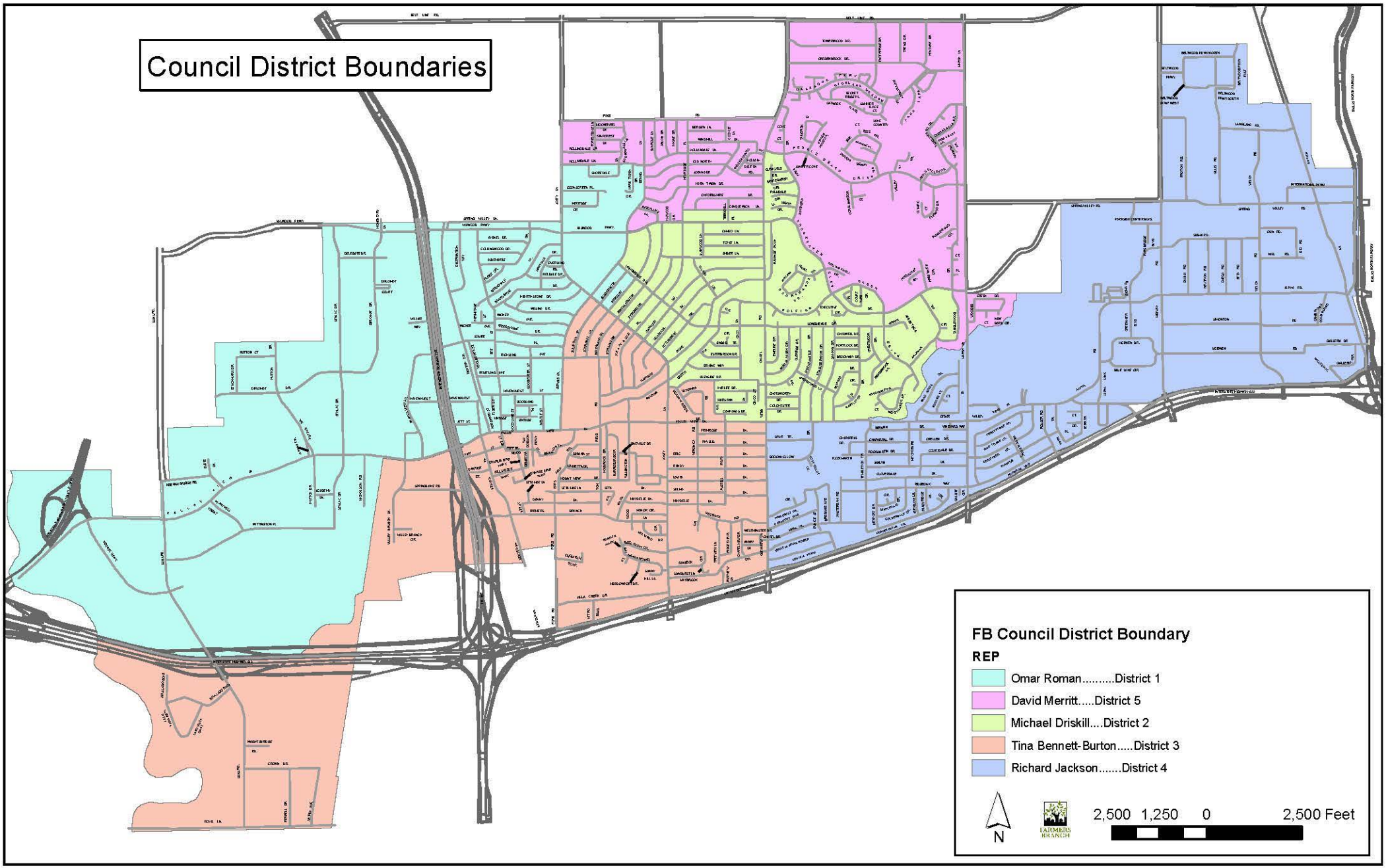
City of Farmers Branch, Texas
List of Principal Officials

CITY COUNCIL

Bill Glancy	Mayor
Omar Roman	Councilmember, District 1
Michael Driskill	Councilmember, District 2
Tina Bennett-Burton	Councilmember, District 3
Richard Jackson	Deputy Mayor Pro Tem, District 4
David Merritt	Mayor Pro Tem, District 5

APPOINTED OFFICIALS

Benjamin Williamson	City Manager
Michael Mashburn	Deputy City Manager
Jawaria Tareen	Chief of Staff
Terry Carnes	City Judge
Stacy Henderson	City Secretary/Director of Administrative Services
Jeff L. Brady	Communications Director
Danielle Summers	Community Services Director
Allison Cook	Economic Development, Tourism & Planning Director
Tammy Zimmerman	Finance Director
Daniel Latimer	Fire Chief
Tom Higgs	Fleet & Facilities Management Director
Vacant	Human Resources Director
Mark Samuels	Innovation & Technology Director
Leo Bonanno	Neighborhood Services Director
Rachael Arroyo	Parks & Recreation Director
Kevin McCoy	Police Chief
James Ryan Sartor	Public Works Director
Shane Davis	Sustainability & Public Health Director


Council District Boundaries
FB Council District Boundary
REP
Omar Roman.....District 1
David Merritt.....District 5
Michael Driskill....District 2
Tina Bennett-Burton.....District 3
Richard Jackson.....District 4
N
FARMERS BRANCH
2,500 1,250 0 2,500 Feet

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Farmers Branch
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

FORVIS

14241 Dallas Parkway, Suite 1100 / Dallas, TX 75254
P 972.702.8262 / **F** 972.702.0673
forvis.com

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of Farmers Branch, Texas
Farmers Branch, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Farmers Branch, Texas (City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general and grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in *Note 4* to the financial statements, the City adopted Governmental Accounting Standards Board Statement No. 87, *Leases*, in fiscal year 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory, statistical sections, and continuing financial disclosure tables but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

Dallas, Texas
March 7, 2023

As management of the City of Farmers Branch (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

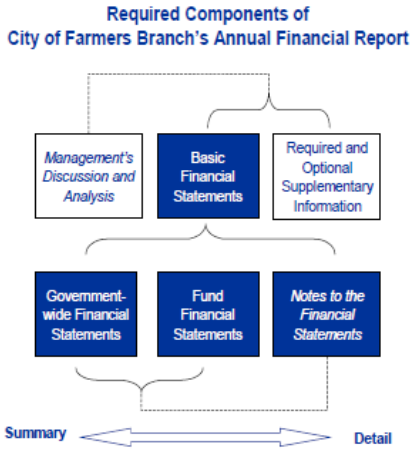
FINANCIAL HIGHLIGHTS

- The City's total combined net position as presented on the Government-wide Statement of Net Position was $264,631,244, which represents an increase of $29,332,544 from the prior year. This was primarily due to the continued impact of the Mercer Crossing planned development on the City's west side.
- The City's governmental funds reported combined ending fund balances of $94,778,789, an increase of $32,715,428 in comparison with the prior year. The increase in total fund balance was primarily due to the receipt of grant funds related to the American Rescue Plan Act (ARPA) and the receipt of bond proceeds for the construction of the Dallas Stars Multi-Sport Complex.
- The unassigned fund balance for the general fund was $23,040,864 or 35.03 percent of total general fund expenditures plus other financing sources (uses). This represents an increase of $1,009,978 from the prior fiscal year.
- At the end of the current fiscal year, unrestricted fund balance (the total of the assigned and unassigned components of fund balance) for the general fund was $33,247,350 or 48.36 percent of total general fund expenditures.
- The City's long-term liabilities increased $6,512,691 during the current fiscal year primarily due to the issuance of the Series 2022 Certificates of Obligations. The accounting standards for pensions will reflect more volatility in the amount of the liability from year-to-year.
- Effective October 1, 2021, the City adopted Governmental Account Standards Board Statement No. 87, *Leases*. Comparative information presented herein has not been restated for the adoption of GASB 87 because the basic financial statements present fiscal year 2022 only.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information required to be presented by the Governmental Accounting Standards Board and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.



The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include water and sewer and stormwater utilities.

The government-wide financial statements can be found in Exhibit A of this report.

Fund Financial Statements - A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories - governmental funds and proprietary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains 24 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, grants fund, debt service fund, and Dallas Stars Multi-Sport fund, which are the four major funds for the reporting year. Data from the other 20 funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found in Exhibit B of this report.

Proprietary Funds - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sanitary sewer utility and stormwater long-term construction projects. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its facilities and fleet management, workers' compensation, and health claims funds. Because these services predominantly benefit governmental rather than business-type functions, they have been primarily included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The water and sewer fund is considered a major fund of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found in Exhibit C of this report.

Notes to Basic Financial Statements - The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found in Exhibit D of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees. Required supplementary information can be found in Exhibit E of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the required supplementary information on pensions and OPEB. Combining and individual statements and schedules can be found in Exhibit F through Exhibit H of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's net position, the amount that assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources, was $264,631,244 at the close of the most recent fiscal year.

CONDENSED NET POSITION

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 126,274,396	$ 83,647,550	$ 28,926,143	$ 27,073,563	$ 155,200,539	$ 110,721,113
Capital and lease assets	184,446,588	184,442,421	63,666,929	55,011,620	248,113,517	239,454,041
Total assets	310,720,984	268,089,971	92,593,072	82,085,183	403,314,056	350,175,154
Total deferred outflows of resources	8,478,310	5,057,139	450,578	283,583	8,928,888	5,340,722
Noncurrent liabilities	100,735,603	94,222,912	1,021,226	1,728,624	101,756,829	95,951,536
Other liabilities	18,987,984	14,100,227	2,787,403	1,716,504	21,775,387	15,816,731
Total liabilities	119,723,587	108,323,139	3,808,629	3,445,128	123,532,216	111,768,267
Total deferred inflows of resources	23,190,112	8,038,267	889,372	410,642	24,079,484	8,448,909
Net position:						
Net investment in capital assets	142,607,256	148,809,910	62,163,819	54,928,229	204,771,075	203,738,139
Restricted	10,521,379	13,515,575	-	-	10,521,379	13,515,575
Unrestricted	23,156,960	(5,539,781)	26,181,830	23,584,767	49,338,790	18,044,986
Total net position	$ 176,285,595	$ 156,785,704	$ 88,345,649	$ 78,512,996	$ 264,631,244	$ 235,298,700

The largest portion of the City's combined net position in the amount of $204,771,075 reflects its investments in capital and lease assets (e.g., land, buildings, equipment, intangible assets, improvements, construction in progress, infrastructure, and lease assets), less any debt used to acquire those assets that are still outstanding. The City uses these capital and lease assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital and lease assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital and lease assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position in the amount of $10,521,379 represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's combined unrestricted net position is a surplus of $49,338,790 due to increased capital and lease asset activity. Unrestricted net position of $23,156,960 exists in the governmental activities net position.

The unrestricted net position of the business-type activities is a positive balance of $26,181,830. The City generally can only use this net position to finance continuing water and sewer operations.

Analysis of the City's Operations – During the current fiscal year, the net position for governmental activities increased $19,499,891 from the prior fiscal year for an ending balance of $176,285,595. This increase is attributable in large part to the development on the City's west side, which increased capital contributions, building permits and sales tax. Additionally, the increase is also attributed to an increase in revenue from property taxes, charges for services and other revenue areas. The net position of the business-type activities increased $9,832,653 from the prior fiscal year for an ending balance of $88,345,649. The rates for water and sewer service were not changed from the prior year. The development on the City's west side included capital contributions of $621,363 for the business-type activities. Transfers to governmental activities increased by $839,820 due to the advance funding of FY 2022-23 capital assets and an increase in transfers for CIP projects.

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total - Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	$ 15,283,649	$ 16,709,860	$ 32,708,631	$ 29,054,152	$ 47,992,280	$ 45,764,012
Operating grants and contributions	930,087	1,565,257	-	-	930,087	$ 1,565,257
Capital grants and contributions	457,008	4,164,801	621,363	592,797	1,078,371	4,757,598
General revenues:						
Taxes:						
Property taxes, levied for general purposes	36,920,934	34,131,625	-	-	36,920,934	34,131,625
Property taxes, levied for debt service	4,414,339	4,973,900	-	-	4,414,339	4,973,900
Sales and use taxes	24,413,463	18,737,374	-	-	24,413,463	18,737,374
Hotel/motel taxes	2,913,839	1,683,018	-	-	2,913,839	1,683,018
Franchise taxes	3,856,016	3,885,156	-	-	3,856,016	3,885,156
Tax increment financing	860,064	1,557,120	-	-	860,064	1,557,120
Investment income (loss)	(353,710)	1,031,746	(411,147)	7,656	(764,857)	1,039,402
Gain on disposal of capital assets	92,288	18,126	-	6,521	92,288	24,647
Miscellaneous	57,058	23,458	-	-	57,058	23,458
Grants not restricted to a specific purpose	2,546,527	-	-	-	2,546,527	-
Total revenues	92,391,562	88,481,441	32,918,847	29,661,126	125,310,409	118,142,567
Expenses:						
General government	20,254,045	17,255,980	-	-	20,254,045	17,255,980
Public safety	24,240,573	26,422,950	-	-	24,240,573	26,422,950
Public works	14,182,657	14,984,662	-	-	14,182,657	14,984,662
Culture and recreation	16,005,075	13,626,946	-	-	16,005,075	13,626,946
Principal retirement	417,521	-	-	-	417,521	-
Interest on long-term debt	2,064,562	1,527,200	-	-	2,064,562	1,527,200
Unallocated depreciation	466,577	145,929	-	-	466,577	145,929
Water and sewer	-	-	17,959,957	17,324,414	17,959,957	17,324,414
Stormwater utility	-	-	386,898	1,009,125	386,898	1,009,125
Total expenses	77,631,010	73,963,667	18,346,855	18,333,539	95,977,865	92,297,206
Increase in net position before transfers	14,760,552	14,517,774	14,571,992	11,327,587	29,332,544	25,845,361
Transfers	4,739,339	3,899,519	(4,739,339)	(3,899,519)	-	-
Change in net position	19,499,891	18,417,293	9,832,653	7,428,068	29,332,544	25,845,361
Net position-beginning	156,785,704	138,368,411	78,512,996	71,084,928	235,298,700	209,453,339
Net position--ending	$ 176,285,595	$ 156,785,704	$ 88,345,649	$ 78,512,996	$ 264,631,244	$ 235,298,700

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $94,778,789. Of this total, $48,193,026 is restricted due to external limitations on its use, such as by debt covenants, legal restrictions, or intention of grantors, donors, or trustees. A total of $4,789,536 is considered nonspendable because it has been used for inventory and prepaid items. A total of $18,758,133 has been assigned meaning there are limitations resulting from its intended use, such as construction of capital assets, payment of debt service, and for other purposes. The remaining $23,038,094 is unassigned and can be used for any lawful purpose.

The general fund is the main operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund is $23,040,864, while total fund balance is $36,317,211. As a measure of the general fund's liquidity, it may be useful to compare the unassigned general fund balance and total general fund balance to total general fund expenditures and other financing sources and uses. Unassigned general fund balance represents 35.04 percent of total general fund expenditures plus other financing sources (uses), while total fund balance represents 55.23 percent of that same amount.

The fund balance of the general fund increased $6,290,874 during the fiscal year. Revenues were $7,362,606 higher than the prior year. Property tax revenue increased $2,840,645 due primarily to higher valuations. Additionally, sales tax revenue increased $5,190,789 due to increasing prices of consumer goods and the rebounding economy after the COVID-19 pandemic. Expenditures were $2,876,267 more than the prior year. This is mostly due to increased capital expenditures for various completed & ongoing capital projects. The addition of the Dallas Stars Multi-Sport fund created an increase in fund balance of $23,422,535 due to the issuance of certificates of obligation for construction of the Dallas Stars Multi-Sport Complex. The Grants fund had a minimal decrease of $203 related to a prepaid item. The addition of the Debt Service fund with fund balance of $2,552,786 is a decrease of $1,424,186 from prior year. The Landfill Debt Service utilized their fund balance for debt payment of $1,180,125 as the bonds will be fully matured in February 2023. Revenues and transfers previously recorded in Landfill Debt Service were reallocated to the Landfill Closure/Post Closure funds. The remaining decrease in Debt Service fund balance was related to $225,900 in excess property tax collections specificially for debt service.

Proprietary Funds - The City's water and sewer fund and stormwater utility fund are the enterprise components of the City's proprietary funds. These funds' financial statements provide the same type of information found in the government-wide financial statements, but in more detail. The unrestricted net position of the water and sewer fund was $21,131,261 and the stormwater utility fund was $4,592,607. The internal service funds (the other component of proprietary funds) report activities that provide supplies and services for the City's various functions. The City uses internal service funds to account for facilities and fleet management and the City's workers' compensation and health insurance self-insurance programs. Because all of these services primarily benefit governmental rather than business-type activities, they have primarily been included with governmental activities in the government-wide financial statements.

General Fund Budgetary Highlights – During the fiscal year ending September 30, 2022, the City Council adopted amendments to the budget. In the general fund, final budgeted revenues increased $4,709,900 and final budgeted expenditures decreased $35,106 compared to the original budget. The budget for sale of general capital assets, which is an "other financing source", decreased $2,800,000 due to City-owned property that was not sold during 2022 as budgeted. Variances with Final Budget are denoted in Exhibit B-5. During the fiscal year ending September 30, 2022, the most notable variances from the final budget include an increase of $962,263 in sales and use taxes and an increase of $1,003,983 in charges for services, which both exceeded budget due to management lowering revenue expectations due to uncertainty following the COVID-19 pandemic. Actual expenditures from General Government were less than budgeted by $5.8 million. This is due to several factors. Supply chain shortages and increased lead time caused a reduction in the purchase of budgeted capital assets. Also, a large amount of staff vacancies due to retirements and a highly competitive job market resulted in a decrease in personnel costs.

CAPITAL AND LEASE ASSETS

The City's investment in capital and lease assets for its government-wide activities as of September 30, 2022, amounts to $248,113,517 (net of accumulated depreciation and amortization). This investment in capital and lease assets includes land, buildings, equipment, improvements, infrastructure, intangible assets,construction in progress, and lease assets.

Major capital asset events during the current fiscal year included the following:

Completed Projects

- Landfill Scalehouse & Maintenance Facility - $6,032,912
- Manske Library Renovation - $1,007,543

Amounts Spent for Ongoing Projects

- Joya Signature Park - $1,112,120
- Water & Sewer Utility improvements for $3,887,650
- Inflow & Infiltration improvements - $5,419,890
- Trail Improvements adopted in Trail Master Plan for $1,457,262
- Street Resurfacing - $5,280,436
- Street Revitalization - $1,659,284
- Creek Channel & Drainage improvements - $1,089,441

Capital and Lease Assets at Year-End
Net of Accumulated Depreciation and Amortization

	Governmental Activities		Business-Type Activities		Total - Primary Government	
	2022	2021	2022	2021	2022	2021
Land	$ 39,411,462	$ 39,411,462	$ 603,364	$ 603,364	$ 40,014,826	$ 40,014,826
Buildings	52,877,384	54,240,739	5,839,948	6,110,987	58,717,332	60,351,726
Equipment	9,223,889	11,001,024	1,624,278	1,561,726	10,848,167	12,562,750
Improvements	12,169,384	5,418,246	13,274	14,420	12,182,658	5,432,666
Infrastructure	63,155,293	58,603,107	44,348,147	42,168,078	107,503,440	100,771,185
Intangible assets	472,225	632,118	468,412	488,370	940,637	1,120,488
Right-to-use Building	297,916	-	-	-	297,916	-
Construction in progress	6,839,035	15,135,725	10,769,506	4,064,675	17,608,541	19,200,400
Total	$ 184,446,588	$ 184,442,421	$ 63,666,929	$ 55,011,620	$ 248,113,517	$ 239,454,041

Additional information on the City's capital and lease assets can be found in Note 3.D. Capital and Lease Assets on pages 40-41 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had a total bonded debt of $75,181,055. A portion of this debt, approximately 36%, is considered to be self-supporting in that it will be repaid from sources other than property taxes. A portion in the amount of $2,225,000 comprises debt to be repaid from hotel/motel tax revenues and lease payments from the Dallas Stars. Another portion in the amount of $2,364,000 comprises debt to be repaid from a sale of land at the landfill and a portion of landfill revenue. An additional $23.8 million comprises debt to repaid from lease payments related to the Dallas Stars Multi-Sport complex. All self-supporting debt is backed by the full faith and credit of the government.

Outstanding Debt at Year-End

	Governmental Activities	
	2022	2021
General obligation bonds	$ 75,181,055	$ 56,287,366
Total	$ 75,181,055	$ 56,287,366

The City maintains favorable ratings from bond rating agencies. The ratings are as follows:

	Fitch Ratings	Date Confirmed	Standard & Poor's	Date Confirmed
2009 Combination tax and revenue, taxable	n/a	n/a	AAA	June 9, 2022
2011 General obligation refunding bonds, taxable	AA+	June 2, 2022	AAA	n/a
2012 Certificates of obligation (bank issued)	n/a	n/a	n/a	June 9, 2022
2013 Certificates of obligation	AA+	June 2, 2022	AAA	June 9, 2022
2014 Certificates of obligation	AA+	June 2, 2022	AAA	June 9, 2022
2014 General obligation	AA+	June 2, 2022	AAA	June 9, 2022
2016 Certificates of obligation	AA+	June 2, 2022	AAA	June 9, 2022
2018 Certificates of obligation	AA+	June 2, 2022	AAA	June 9, 2022
2018 General obligation	AA+	June 2, 2022	AAA	June 9, 2022
2020 General obligation refunding bonds	AA+	June 2, 2022	AAA	June 9, 2022
2020 General obligation improvement bonds	AA+	June 2, 2022	AAA	June 9, 2022
2022 Certificates of obligation	AA+	June 2, 2022	AAA	June 9, 2022

Additional information on the City's long term-debt can be found in Note 3.G. Long-Term Liabilities on pages 43-44 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The fiscal year 2022-23 budget has been prepared with the objectives of continuing significant investments in capital improvements, maintaining the financial strength of the City, meeting the needs of citizens, implementing the priorities of the City Council, and maintaining AAA-rated financial performance. The budget has been developed to be responsive to residents and businesses feeling financial stress and includes no increase in the property tax rate of $0.5890; providing for a two-cent tax refund to all property taxpayers; providing for a one-year reduction in the residential water base rate of $11 per month (annual savings of $132 per residential customer); increasing the over-65 exemption by an additional $20,000 for a total exemption of $100,000; increasing the disabled persons exemption by $40,000 for a total exemption of $100,000; continued spending related to the American Rescue Plan Act (ARPA); providing funds to enable the transition to a 20-year retirement plan; and, continued funding to assist residents with food and rental-assistance expenditures.

During the 2020-21 fiscal year, the ARPA federal program allocated $11.9 million to the City with funding to be provided in two equal payments over two years ($5.97 million in 2021-22 and 2022-23). The City intends to continue the plans started during Fiscal Year 2021-22 related to this funding, which includes completing a variety of projects that will greatly improve city infrastructure, public safety and parks.

Revenues are projected to increase in fiscal year 2022-23 as the City's financial outlook continues to improve. Property tax and sales tax revenue represent 76.46% of total General Fund Revenues. In past years, the City has had the fortune of a strong tax base and fund balances. The Dallas Central Appraisal District provides cities with a certified property value. The certified market value (including an estimated minimum value of properties under dispute) uilized in preparing this budget is approximately $8.1 billion, which represents an increase of 16.04% over prior year values. New construction is valued at $163,789,203. The commercial tax base, including real and business personal property, represents a strong 74.42% of taxable value.

The property tax rate of 58.9 cents per $100 valuation maintains the existing rate from the prior year. A property tax rate at this level continues to position Farmers Branch at one of the lowest rates in Dallas County. In previous budget years, the Coronavirus pandemic impacted several revenue sources, including sales tax and hotel/motel occupancy tax revenues. Sales tax revenues can fluctuate greatly due to national, state and local economic conditions; however, the 2022-23 budget anticipates a return to pre-pandemic sales tax revenue levels and a gradual return of hotel/motel occupancy revenues. Although sales tax revenue is expected to return to pre-pandemic levels, the fiscal year 2022-23 budget anticipates a decrease of approximately 14.39% from the prior year's amended budget as the City plans for legislative changes pertaining to sales tax. The City continues its efforts in sales tax audits to ensure all appropriate sales tax revenue is received.

The 2022-23 budget includes an anticipated decrease in licenses and permit revenue of $228,600 as the City's West Side project approaches completion. Additionally, refuse services revenue is expected to increase by $2.3 million as a result of increased tonnage made possible by the Camelot Landfill Permit Expansion completed in 2017.

Budgeted general fund expenditures are expected to increase by approximately $458,200 from the prior year's amended budget. The increase is primarily due to increased Police and Fire pay and staff merit increases, which has been offset by the advance funding of 2022-23 fixed assets in the 2021-22 fiscal year. Additionally, new personnel costs include nine full-time employees; however, of the nine new positions five were temporary over-hire authorizations (two funded over-hires; three nonfunded over-hires) approved for the Police department in the 2021-22 fiscal year. The nine positions include four Police Officers; one Public Safety Background Investigator; one Fire Captain; and three employees to improve services in the areas of Fleet & Facilities, Code Enforcement and Public Works.

The budget for Police expenditures increased by approximately $1.4 million compared to the 2021-22 amended budget and is primarily due to the continued update of the computer-aided dispatch system at NTECC. The Fiscal Year 2022-23 Budget includes funding for Fire Department medical devices to assist with patient transport and an upgrade to the Outdoor Warning System.

The expansion approval for the City's Camelot Landfill combined with the closing announcement of a nearby private landfill continues to provide significant future revenue growth opportunity. The budget implements a plan to direct a significant portion of this new revenue towards prepaying $36.5 million in closure/post-closure costs anticipated in 31 years. The 2022-23 budget also includes the continuation of funding $1 million annually towards these costs.

Enterprise Fund operating expenditures are budgeted at $1.8 million less than the 2021-22 amended budget. Prior year budgets included larger transfers to the Water & Sewer and Stormwater CIP funds to move available fund balance for CIP projects. The Fiscal Year 2022-23 CIP transfers represent funding consistent with revenue expectations.

Hotel/Motel Fund operating expenditures are budgeted at $544,200 less than the 2021-22 amended budget due primarily to setting aside funds in the 2021-22 budget for the construction of a barn at the Historical Park. As the post-pandemic revenues in this fund continue to rebound, it enables a return of expenditures to more-normal levels. The balance of the Hotel/Motel Fund, at an anticipated $1,090,161 at the end of the 2022-23 year, exceeds the targeted fund balance range of $600,000 to $1,000,000.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Finance Department, Attn: Director of Finance, at 13000 William Dodson Parkway, Farmers Branch, Texas 75234, or call (972) 247-3131, or e-mail tammy.zimmerman@farmersbranchtx.gov.

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CITY OF FARMERS BRANCH, TEXAS

EXHIBIT A-1

STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents, and investments	$ 104,301,449	$ 19,887,148	$ 124,188,597
Receivables (net of allowance for uncollectibles)	15,375,618	3,932,991	19,308,609
Inventories	4,746,652		4,746,652
Deposits	35,000		35,000
Prepaid items	64,479	11,635	76,114
Equity interest in joint venture	1,751,198	5,094,369	6,845,567
Capital and lease assets			
Nondepreciable	46,250,497	11,372,870	57,623,367
Depreciable, net of accumulated depreciation/amortization	138,196,091	52,294,059	190,490,150
Total assets	310,720,984	92,593,072	403,314,056
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pensions	7,838,138	391,742	8,229,880
Deferred outflows from OPEB	594,889	58,836	653,725
Deferred outflows on refunding	45,283		45,283
Total deferred outflows	8,478,310	450,578	8,928,888
LIABILITIES			
Accounts payable and other accrued liabilities	7,341,475	2,379,388	9,720,863
Retainage payable	161,203	212,575	373,778
Accrued interest payable	857,512		857,512
Deposits payable	614,816	653,402	1,268,218
Internal balances	457,962	(457,962)	-
Unearned revenue	9,555,016		9,555,016
Noncurrent liabilities			
Due within one year	6,795,239	73,524	6,868,763
Due in more than one year	93,940,364	947,702	94,888,066
Total liabilities	119,723,587	3,808,629	123,532,216
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	17,491,619	874,214	18,365,833
Deferred inflows from OPEB	153,259	15,158	168,417
Deferred inflows on refunding	36,026		36,026
Deferred inflows from leases	5,509,208		5,509,208
Total deferred inflows of resources	23,190,112	889,372	24,079,484
Net Position			
Net investment in capital assets	142,607,256	62,163,819	204,771,075
Restricted for:			
Construction of capital assets	4,153,998		4,153,998
Promotion of tourism	1,918,725		1,918,725
Purpose of grantors/trustees	761,734		761,734
Debt service	2,552,786		2,552,786
Law enforcement	780,504		780,504
Fire training	26,578		26,578
Economic development	327,054		327,054
Unrestricted	23,156,960	26,181,830	49,338,790
Total net position	$ 176,285,595	$ 88,345,649	$ 264,631,244

The accompanying notes are an integral part of the financial statements.

CITY OF FARMERS BRANCH, TEXAS

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities				
General government	$ 20,254,045	$ 3,008,671	$ 87,733	$ 9,013
Public safety	24,240,573	3,260,855	822,830	
Public works	14,182,657	6,651,483	7,435	447,995
Culture and recreation	16,005,075	2,362,640	12,089	
Principal retirement	417,521			
Interest on long-term debt	2,064,562			
Unallocated depreciation	466,577			
Total governmental activities	77,631,010	15,283,649	930,087	457,008
Business-type activities				
Water and sewer	17,959,957	30,951,121		621,363
Stormwater utility	386,898	1,757,510		
Total business-type activities	18,346,855	32,708,631	-	621,363
Total primary government	$ 95,977,865	$ 47,992,280	$ 930,087	$ 1,078,371
General revenues and transfers				
Taxes:				
Property taxes - general purpose				
Property taxes - debt service				
Sales and use taxes				
Hotel motel taxes				
Franchise taxes				
Tax increment financing				
Investment income (loss)				
Gain on disposal of capital assets				
Miscellaneous				
Grants not restricted to a specific purpose				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (17,148,628)	$ -	$ (17,148,628)
(20,156,888)		(20,156,888)
(7,075,744)		(7,075,744)
(13,630,346)		(13,630,346)
(417,521)		(417,521)
(2,064,562)		(2,064,562)
(466,577)		(466,577)
(60,960,266)	-	(60,960,266)
	13,612,527	13,612,527
	1,370,612	1,370,612
-	14,983,139	14,983,139
$ (60,960,266)	$ 14,983,139	$ (45,977,127)
36,920,934	-	36,920,934
4,414,339	-	4,414,339
24,413,463	-	24,413,463
2,913,839	-	2,913,839
3,856,016	-	3,856,016
860,064	-	860,064
(353,710)	(411,147)	(764,857)
92,288	-	92,288
57,058	-	57,058
2,546,527	-	2,546,527
4,739,339	(4,739,339)	-
80,460,157	(5,150,486)	75,309,671
19,499,891	9,832,653	29,332,544
156,785,704	78,512,996	235,298,700
$ 176,285,595	$ 88,345,649	$ 264,631,244

CITY OF FARMERS BRANCH, TEXAS

BALANCE SHEET GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	General	Grants	Debt Service	Stars Multi-Sport
ASSETS				
Cash, cash equivalents, and investments	$ 31,350,093	$ 9,695,506	$ 2,796,230	$ 23,416,061
Receivables (net of allowance for uncollectibles)	8,954,967	181,743	112,894	
Lease receivable	2,280,052		3,283,516	
Accrued interest and other	73,951		11,191	6,474
Inventories	3,011,320			
Prepaid items	58,541			
Total assets	$ 45,728,924	$ 9,877,249	$ 6,203,831	$ 23,422,535
LIABILITIES				
Accounts payable	$ 5,319,121	$ 462,578	$ 51,000	$
Retainage payable				
Deposits payable	21,482		200,000	
Unearned revenue	145,084	9,409,932		
Total liabilities	5,485,687	9,872,510	251,000	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	1,704,486		112,377	
Lease related	2,221,540		3,287,668	
Total deferred inflows of resources	3,926,026	-	3,400,045	-
FUND BALANCES				
Nonspendable				
Inventory	3,011,320			
Prepaid items	58,541			
Restricted				
Construction of capital assets				23,422,535
Landfill closure/postclosure				
Promotion of tourism				
Purpose of grantors, trustees and donors		4,739		
Economic development				
Debt service			2,552,786	
Law enforcement				
Fire training operations				
Assigned				
Construction of capital assets	7,162,818		-	-
Economic development	1,960,218			
Other purposes	1,083,450			-
Unassigned	23,040,864	-	-	-
Total fund balances	36,317,211	4,739	2,552,786	23,422,535
Total liabilities, deferred inflows of resources and fund balances	$ 45,728,924	$ 9,877,249	$ 6,203,831	$ 23,422,535

The accompanying notes are an integral part of the financial statements.

Other Governmental Funds	Total Governmental Funds
$ 32,098,778	$ 99,356,668
415,259	9,664,863
	5,563,568
49,662	141,278
1,718,800	4,730,120
875	59,416
$ 34,283,374	$ 119,515,913
$ 1,239,816	$ 7,072,515
161,203	161,203
393,334	614,816
	9,555,016
1,794,353	17,403,550
7,503	1,824,366
	5,509,208
7,503	7,333,574
1,718,800	4,730,120
875	59,416
14,463,216	37,885,751
3,939,892	3,939,892
1,918,725	1,918,725
756,997	761,736
327,054	327,054
	2,552,786
780,504	780,504
26,578	26,578
8,551,647	15,714,465
	1,960,218
-	1,083,450
(2,770)	23,038,094
32,481,518	94,778,789
$ 34,283,374	$ 119,515,913

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RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

Total fund balances - governmental funds		$ 94,778,789
Amounts reported for governmental activities in the statement of net position are different because:		
Capital and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (net of internal service fund capital assets of $7,583,388).		176,863,200
Equity investment in joint venture is not a current financial resource. Therefore, it is not reported in the governmental funds.		1,751,198
Deferred outflows of resources are not reported in the governmental funds:		
Deferred outflows on pension (net of internal service fund of $222,208)	7,615,930	
Deferred outflows on OPEB (net of internal service fund of $32,687)	562,202	
Deferred outflows on debt refunding	45,283	8,223,415
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		1,824,366
Internal service funds are used by management to charge the cost of certain activities, such as fleet management and workers' compensation and medical self-insurance programs, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position (less amount allocated to business-type activities of $457,962).		10,207,988
Long-term liabilities, including bonds payable, (net of internal service fund) are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	(72,550,000)	
Add: Issuance premium (to be amortized over life of debt)	(2,631,055)	
Accrued interest payable	(857,512)	
Compensated absences (net of internal service fund of $122,942)	(5,174,856)	
Net pension liability (net of internal service fund of $212,519)	(5,725,987)	
Total OPEB liability (net of internal service fund of $231,124)	(4,031,022)	
Lease liability	(302,839)	
Landfill liability	(8,913,485)	(100,186,756)
Deferred inflows of resources are not reported in the governmental funds:		
Deferred inflows from OPEB (net of internal service fund of $8,421)	(144,838)	
Deferred inflows on pension (net of internal service fund of $495,878)	(16,995,741)	
Deferred inflows on debt refinancing	(36,026)	(17,176,605)
Net position of governmental activities		$ 176,285,595

The accompanying notes are an integral part of the financial statements.

CITY OF FARMERS BRANCH, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	General	Grants	Debt Service	Stars Multi-Sport
REVENUES				
Property taxes	$ 36,971,708	$	$ 4,428,158	$
Sales and use taxes	23,928,163			
Hotel/motel taxes				
Franchise taxes	3,803,505			
Tax increment financing				
Licenses and permits	2,700,392			
Charges for services	9,698,983			
Fines and forfeitures	1,159,482			
Investment income (loss)	(302,292)		607,039	(67,965)
Intergovernmental		3,091,381		
Miscellaneous	78,887			
Total revenues	78,038,828	3,091,381	5,035,197	(67,965)
EXPENDITURES				
Current				
General government	15,209,950	1,141,382		
Public safety	28,891,395	325,675		
Public works	9,564,782	2,500		
Culture and recreation	12,543,218	7,500		
Debt service				
Principal retirement	69,556		4,630,000	
Interest and fiscal agent charges	28,465		1,829,383	
Issuance costs				319,500
Capital outlay	2,446,069	1,614,527		
Total expenditures	68,753,435	3,091,584	6,459,383	319,500
Excess (Deficiency) of revenues over (under) expenditures	9,285,393	(203)	(1,424,186)	(387,465)
OTHER FINANCING SOURCES (USES)				
Transfers in	5,307,900			
Transfers out	(8,469,700)	-		
General obligation bonds issued				23,810,000
Sale of general capital assets	110,223			
Insurance recoveries	57,058			
Total other financing sources (uses)	(2,994,519)	-	-	23,810,000
Net change in fund balances	6,290,874	(203)	(1,424,186)	23,422,535
Fund balances - beginning	30,026,337	4,942	3,976,972	
Fund balances - ending	$ 36,317,211	$ 4,739	$ 2,552,786	$ 23,422,535

The accompanying notes are an integral part of the financial statements.

Other Governmental Funds	Total Governmental Funds
$	$ 41,399,866
485,300	24,413,463
2,913,839	2,913,839
52,511	3,856,016
860,064	860,064
	2,700,392
1,111,080	10,810,063
76,298	1,235,780
(590,492)	(353,710)
455,357	3,546,738
273,081	351,968
5,637,038	91,734,479
1,372,432	17,723,764
423,386	29,640,456
452,477	10,019,759
1,707,781	14,258,499
	4,699,556
	1,857,848
	319,500
5,306,254	9,366,850
9,262,330	87,886,232
(3,625,292)	3,848,247
9,839,700	15,147,600
(1,788,000)	(10,257,700)
	23,810,000
	110,223
	57,058
8,051,700	28,867,181
4,426,408	32,715,428
28,055,110	62,063,361
$ 32,481,518	$ 94,778,789

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT B-4

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Net change in fund balances - total governmental funds		$ 32,715,428
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.		553,622
The net effect of the various miscellaneous transactions involving capital assets (i.e., sales, transfers and donations) is to decrease net position.		(779,287)
The change in equity interest in joint venture increases net position.		399,037
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the decrease during the current year in unavailable revenue that is earned but not collected.		(62,097)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds.		(18,828,358)
Increase in compensated absences	(548,524)	
Increase in landfill liability	(764,539)	(1,313,063)
Changes to net pension and OPEB liabilities and related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		7,451,643
Current year change in accrued interest payable does not require the use of current financial resources; but they are reported as expenses in the governmental activities.		(497,250)
Internal service funds are used by management to charge the costs of fleet management, workers' compensation, and health claims, to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. (net of ($28,264) allocated to business-type activities).		(139,784)
Change in net position of governmental activities		$ 19,499,891

The accompanying notes are an integral part of the financial statements.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GENERAL FUND
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
REVENUES				
Property taxes	$ 36,520,000	$ 36,381,000	$ 36,971,708	$ 590,708
Sales and use taxes	17,930,000	22,965,900	23,928,163	962,263
Franchise taxes	4,084,000	3,810,000	3,803,505	(6,495)
Licenses and permits	2,052,000	2,563,600	2,700,392	136,792
Charges for services	8,395,000	8,695,000	9,698,983	1,003,983
Fines and forfeitures	1,823,000	1,110,200	1,159,482	49,282
Investment income (loss)	585,000	511,500	(302,292)	(813,792)
Miscellaneous	45,500	107,200	78,887	(28,313)
Total revenues	71,434,500	76,144,400	78,038,828	1,894,428
EXPENDITURES				
General government				
General government	4,733,700	4,265,992	2,677,449	1,588,543
City administration	1,188,900	1,189,024	1,180,708	8,316
Communications	831,800	850,933	761,904	89,029
Economic development	4,610,900	2,199,714	1,747,598	452,116
Human resources	1,147,100	1,145,504	1,057,961	87,543
Finance	2,870,700	3,529,026	2,938,277	590,749
Innovation & technology	3,612,600	3,737,717	3,270,198	467,519
Community services	1,741,300	1,684,595	1,575,855	108,740
Public safety				
Police	16,061,100	15,656,067	15,031,525	624,542
Fire	12,811,200	14,006,065	13,571,233	434,832
Principal retirement	-	-	69,556	(69,556)
Public works				
Interest and fiscal agent charges	-	-	28,465	(28,465)
Public works	5,507,600	5,586,148	4,688,185	897,963
Sustainability & public health	5,405,900	5,972,688	5,165,234	807,454
Culture and recreation				
Parks and recreation	11,156,100	11,668,927	10,759,864	909,063
Library	2,950,400	3,101,794	1,783,354	1,318,440
Capital outlay	-	-	2,446,069	(2,446,069)
Total expenditures	74,629,300	74,594,194	68,753,435	5,840,759
Excess (deficiency) of revenues over (under) expenditures	(3,194,800)	1,550,206	9,285,393	7,735,187
OTHER FINANCING SOURCES (USES)				
Transfers in	9,106,600	13,080,300	5,307,900	(7,772,400)
Transfers out	(8,423,700)	(15,727,400)	(8,469,700)	7,257,700
Sale of general capital assets	2,900,000	100,000	110,223	10,223
Insurance recoveries	-	42,080	57,058	14,978
Total other financing sources (uses)	3,582,900	(2,505,020)	(2,994,519)	(489,499)
Net change in fund balance	388,100	(954,814)	6,290,874	7,245,688
Fund balances- beginning	30,026,337	30,026,337	30,026,337	-
Fund balances - ending	$ 30,414,437	$ 29,071,523	$ 36,317,211	$ 7,245,688

The accompanying notes are an integral part of the financial statements.

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT B-6

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GRANTS FUND
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	GAAP Basis	Final Budget
REVENUES				
Intergovernmental	$ 6,275,438	$ 6,360,298	$ 3,091,381	$ (3,268,917)
Total revenues	6,275,438	6,360,298	3,091,381	(3,268,917)
EXPENDITURES				
General government	488,438	501,166	1,141,382	(640,216)
Public safety	301,500	291,842	325,675	(33,833)
Public works			2,500	(2,500)
Culture and recreation	7,500	7,500	7,500	-
Capital outlay			1,614,527	(1,614,527)
Total expenditures	797,438	800,508	3,091,584	(2,291,076)
Excess (deficiency) of revenues over (under) expenditures	5,478,000	5,559,790	(203)	(5,559,993)
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,478,000)	(5,559,790)	-	5,559,790
Total other financing sources (uses)	(5,478,000)	(5,559,790)	-	5,559,790
Net change in fund balances	-	-	(203)	(203)
Fund balances - beginning	4,942	4,942	4,942	-
Fund balances - ending	$ 4,942	$ 4,942	$ 4,739	$ (203)

The accompanying notes are an integral part of the financial statements.

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT C-1

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

	Business-Type Activities			Governmental Activties
		Nonmajor Fund		
	Water and Sewer	Stormwater Utility	Total	Internal Service Funds
ASSETS				
Current assets				
Cash, cash equivalents, and investments	$ 15,407,868	$ 4,479,280	$ 19,887,148	$ 4,944,781
Receivables (net of allowance for uncollectibles)	3,788,602	111,789	3,900,391	5,909
Accrued interest and other	25,791	6,809	32,600	
Inventories			-	16,532
Prepaid items	11,635		11,635	5,063
Deposits			-	35,000
Total current assets	19,233,896	4,597,878	23,831,774	5,007,285
Noncurrent assets				
Equity interest in joint venture	5,094,369		5,094,369	
Capital and lease assets				
Nondepreciable	9,472,254	1,900,616	11,372,870	8,170
Depreciable, net of accumulated depreciation/amortization	51,692,103	601,956	52,294,059	7,575,218
Total noncurrent assets	66,258,726	2,502,572	68,761,298	7,583,388
Total assets	85,492,622	7,100,450	92,593,072	12,590,673
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pension	391,742		391,742	222,208
Deferred outflows from OPEB	58,836		58,836	32,687
Total deferred outflows of resources	450,578	-	450,578	254,895
LIABILITIES				
Current Liabilities				
Accounts payable and other accrued liabilities	2,358,351	21,037	2,379,388	268,960
Compensated absences	49,700		49,700	32,722
Claims payable			-	715,966
Retainage payable	212,575		212,575	
Deposits payable	653,402		653,402	
Total current liabilities	3,274,028	21,037	3,295,065	1,017,648
Noncurrent liabilities				
Compensated absences	183,411		183,411	90,220
Claims payable			-	123,808
Net pension liability	366,584		366,584	212,519
Total OPEB liability	421,531		421,531	231,124
Total noncurrent liabilities	971,526	-	971,526	657,671
Total liabilities	4,245,554	21,037	4,266,591	1,675,319
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pension	874,214		874,214	495,878
Deferred inflows from OPEB	15,158		15,158	8,421
Total deferred inflows of resources	889,372	-	889,372	504,299
NET POSITION				
Net investment in capital assets	59,677,013	2,486,806	62,163,819	7,583,388
Unrestricted	21,131,261	4,592,607	25,723,868	3,082,562
Total net position	$ 80,808,274	$ 7,079,413	$ 87,887,687	$ 10,665,950
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time			457,962	
Net position of business-type activities			$ 88,345,649	

The accompanying notes are an integral part of the financial statements.

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT C-2

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities			Governmental Activities
	Water and Sewer	Nonmajor Fund Stormwater Utility	Total	Internal Service Funds
Operating Revenues				
Charges for services	$ 30,886,842	$ 1,757,332	$ 32,644,174	$ 5,899,804
Contributions and miscellaneous	44,782		44,782	4,265,323
Total operating revenues	30,931,624	1,757,332	32,688,956	10,165,127
Operating Expenses				
Personal services	1,681,001		1,681,001	971,458
Materials and supplies	286,416		286,416	2,045,467
Maintenance and utilities	1,748,986	285,348	2,034,334	2,338,632
Purchase of water	6,668,954		6,668,954	
Sewage treatment	4,615,631		4,615,631	
Insurance claims and expenses			-	4,944,781
Depreciation	2,906,968	23,468	2,930,436	247,445
Total operating expenses	17,907,956	308,816	18,216,772	10,547,783
Operating income (loss)	13,023,668	1,448,516	14,472,184	(382,656)
Nonoperating Revenues (Expenses)				
Investment income (loss)	(339,664)	(71,483)	(411,147)	
Total nonoperating revenues	(339,664)	(71,483)	(411,147)	-
Income before contributions and transfers	12,684,004	1,377,033	14,061,037	(382,656)
Capital contributions	879,898	24,490	904,388	-
Transfers in	-	-	-	240,408
Transfers out	(5,045,508)	(84,800)	(5,130,308)	
Change in net position	8,518,394	1,316,723	9,835,117	(142,248)
Net position - beginning	72,289,880	5,762,690	78,052,570	10,808,198
Net position - ending	$ 80,808,274	$ 7,079,413	$ 87,887,687	$ 10,665,950

Reconciliation to government-wide statement of net position:	
Change in net position	9,835,117
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds	(2,465)
Change in net position of business-type activities	$ 9,832,652

The accompanying notes are an integral part of the financial statements.

EXHIBIT C-3

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities			Governmental Activities
	Water and Sewer	Stormwater Utility	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 30,747,552	$ 1,778,176	$ 32,525,728	$ -
Receipts from interfund services provided	-	-	-	10,435,505
Payments to suppliers	(13,312,468)	(281,992)	(13,594,460)	(4,544,294)
Payments to employees	(2,161,897)	-	(2,161,897)	(1,204,846)
Payments for loss claims	-	-	-	(5,070,054)
Net cash provided by (used for) operating activities	15,273,187	1,496,184	16,769,371	(383,689)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	(4,935,100)	(84,800)	(5,019,900)	
Transfers from other funds	-	-	-	130,000
Net cash provided by (used for) noncapital financing activities	(4,935,100)	(84,800)	(5,019,900)	130,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital grants and contributions	11,673	24,490	36,163	-
Acquisition and construction of capital assets	(8,337,752)	(1,289,329)	(9,627,081)	-
Net cash used for capital assets and related financing activities	(8,326,079)	(1,264,839)	(9,590,918)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchase)/sale of investments	(2,253,855)	(346,243)	(2,600,098)	-
Investment income	(258,261)	(61,778)	(320,039)	-
Net cash used for investing activities	(2,512,116)	(408,021)	(2,920,137)	-
Net decrease in cash and cash equivalents	(500,108)	(261,476)	(761,584)	(253,689)
Cash and cash equialents - beginning of year	3,728,964	1,200,149	4,929,113	5,198,470
Cash and cash equivalents - end of year	$ 3,228,856	$ 938,673	$ 4,167,529	$ 4,944,781
Investments	12,179,012	3,540,607	15,719,619	-
Cash, cash equivalents, and investments - end of year	$ 15,407,868	$ 4,479,280	$ 19,887,148	$ 4,944,781
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributed capital assets	$ 585,200	$ -	585,200	$ -
Loss on the joint venture	(68,919)	-	(68,919)	-
Purchase of capital assets on account	1,487,344	15,766	1,503,110	$ -
Contribution of capital assets from governmental activities	283,025	-	283,025	
Transfer of capital assets between funds	(110,408)	-	(110,408)	110,408

The accompanying notes are an integral part of the financial statements.

(continued)

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT C-3

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Business-Type Activities			Governmental Activities
	Water and Sewer	Stormwater Utility	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating Income (Loss)	13,023,668	1,448,516	14,472,184	(382,656)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	2,906,968	23,468	2,930,436	247,445
(Increase)/Decrease in				
Receivables	(126,393)	20,844	(105,549)	270,377
Inventories			-	19,111
Prepaid items	375		375	(188)
Deferred outflows of resources - pension	(174,101)		(174,101)	(99,338)
Deferred outflows of resources - OPEB	7,106		7,106	3,945
Increase/(Decrease) in				
Accounts payable and accrued liabilities	(78,089)	3,356	(74,733)	(215,289)
Claims payable				(120,997)
Deposits payable	(57,679)		(57,679)	-
Net Pension liability	(687,303)		(687,303)	(389,604)
Total OPEB liability	(16,435)		(16,435)	(12,189)
Deferred inflows of resources - pension	486,716		486,716	276,299
Deferred inflows of resources - OPEB	(7,986)		(7,986)	(4,439)
Compensated absences	(3,660)		(3,660)	23,834
Net Cash Provided by (Used for) Operating Activities	$ 15,273,187	$ 1,496,184	$ 16,769,371	$ (383,689)

The accompanying notes are an integral part of the financial statements.

(concluded)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Farmers Branch, Texas (the "City") have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the City are described below.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and a five-member council. The City was incorporated in 1946 under the Constitution of the State of Texas (Home Rule Amendment). As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered financially accountable. A component unit is included in the City's reporting entity if it is both fiscally dependent on the City (the primary government) and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Because of the closeness of their relationship with the primary government (the City), some component units are blended as though they are part of the primary government. The City's blended component units and joint ventures, which all have a September 30 year-end, are as follows:

Blended Component Units

Tax Increment Finance District Number Two ("TIF No. 2") and Tax Increment Reinvestment Zone Number Three ("TIRZ No. 3") were created pursuant to the Texas Tax Increment Financing Act, Tax Code Chapter 311, as amended. The purpose of the TIF No. 2 is to promote development in the Old Farmers Branch area. The purpose of the TIRZ No. 3 is to dedicate certain tax increment revenues to the Mercer Crossing Development and apply these revenues to reduce the public improvement district assessments. Management of the primary government has operational responsibility for both of these tax increment financing districts. TIF No. 2 is reported as a capital projects fund and is included as a blended component unit because it provides a financing mechanism to build streets and other infrastructure. The TIRZ No. 3 is reported as a special revenue fund because the revenues are restricted to reduce the public improvement district assessments and the fund is included as a blended component unit.

The City has one Public Improvement District. Farmers Branch's PID program allows for groups of property owners to request special property assessments for the provisions of services above typical City levels. The PID may select its own budget and categories based on its goals and needs, subject to Chapter 372 of the Texas Local Government Code. This may consist of eligible supplemental activities such as marketing the area, providing additional security, landscaping and lighting, street cleaning, and cultural and recreational improvements. Separate financial statements for the sole PID are not prepared.

Mercer Crossing PID - created in February 2017 to support development along Valley View lane in Farmers Branch. On June 20, 2017, the Public Finance Authority of Wisconsin issued tax-exempt revenue bonds for the Mercer Crossing PID. Assessments on property within the district are pledged as reimbursement for this debt, which is not an obligation of the City.

The Farmers Branch Local Government Corporation ("FBLGC") was organized on behalf of the City to accomplish any governmental purpose of the City and to promote the common good and general welfare of the City. This includes the furtherance of the promotion, development, encouragement, and maintenance of employment, commerce, economic development and public facility development in the City, and currently to develop oil, natural gas and other mineral interests on behalf of the City. Management of the primary government has operational responsibility for the FBLGC. The FBLGC is authorized to issue bonds, notes or other obligations after approval by the City Council. The FBLGC has been included as a special revenue fund because it is organized as a not-for-profit corporation in which the City of Farmers Branch is the sole corporate member. The FBLGC is fiscally dependent (the City must approve any issuance of debt) and the purpose of the corporation is to provide a benefit to the City. Separate financial statements for the blended component units are not available.

Joint Ventures

The North Texas Emergency Communications Center, Inc. (NTECC) is a joint venture between the Town of Addison, City of Carrollton, City of Coppell, and City of Farmers Branch (the "Cities") formed to establish and operate a joint public safety dispatch center. The affairs of the NTECC are managed by a four-person board of directors representing each of the four participating Cities.

The Cities are responsible for funding capital and operating costs of the NTECC in the proportions stated in the inter-local agreement. The City financed its portion of construction funds through the issuance and sale of certificates of obligation. The City of Farmers Branch's equity interest in the NTECC is $1,751,198 at September 30, 2022 and is reported as equity interest in joint venture in the governmental activities on the government-wide Statement of Net Position. Audited financial statements for the NTECC can be obtained from the Finance Department, Attn: Director of Finance, at 13000 William Dodson Parkway, Farmers Branch, Texas 75234, or call (972) 247-3131, or e-mail tammy.zimmerman@farmersbranchtx.gov.

Additionally, the Cities have also entered into inter-local agreements to jointly procure a public safety radio system and a fire training facility. These agreements did not include the formation of a separate legal joint venture entity. The City has financed its portion of construction funds through the issuance and sale of general obligation bonds. The Cities are responsible for funding a portion of the radio system and fire training facility in the proportions stated in the inter-local agreements. The City of Farmers Branch's portion of the radio system is capitalized as infrastructure and equipment and the portion of the fire training facility is capitalized as buildings in the governmental activities on the government-wide Statement of Net Position.

The North Dallas County Water Supply Corporation ("NDCWSC") is a joint venture between the City and the Town of Addison (the "Town") to design, construct, operate, and maintain a joint sanitary sewer interceptor and conventional sewer lines. The NDCWSC, a public instrumentality and nonprofit water supply corporation, was created for that purpose. Upon dissolution of the NDCWSC, the City and Town will share the net position in the proportions stated in an inter-local agreement. The affairs of the NDCWSC are managed by a six-person board of directors appointed by the governing bodies of the City and the Town.

The City and the Town are each obligated to fund construction of the sanitary sewer interceptor in the proportions stated in the inter-local agreement. The City financed its portion of construction funds through the issuance and sale of assessment revenue bonds and a transfer from previously issued sewer bonds and none of the bonds are still outstanding. The City's net investment and its share of the operating results of the NDCWSC are reported in the City's water and sewer fund. The City's equity interest in the NDCWSC was $5,094,369 at September 30, 2022. Complete financial statements for the NDCWSC can be obtained from the Finance Department, Attn: Director of Finance, at 13000 William Dodson Parkway, Farmers Branch, Texas 75234, or call (972) 247-3131, or e-mail tammy.zimmerman@farmersbranchtx.gov.

B. Basis of Presentation

While separate government-wide financial statements (based on the City as a whole) and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds.

The fund financial statements provide information about the City's funds, including its blended component units. The emphasis of fund financial statements is on major governmental and enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The *General Fund* is the primary operating fund of the City. It accounts for all financial resources of the City except those required to be accounted for in another fund.

The *Grants Fund* is used to account for monies received from other governmental agencies that have restricted legal requirements.

The *Debt Service Fund* is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from taxes levied by the City.

The *Dallas Stars Multi-Sport Bond Fund* is used to account for resources utilized in the construction of the Dallas Stars Multi-Sport Complex.

The City reports the following major proprietary fund:

The *Water and Sewer Fund* is used to account for water and sewer service operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided the periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The City reports the following internal service funds:

The *Internal Service Funds* are used to account for facilities and fleet management services and the City's workers' compensation and medical self-insurance programs for the departments of the City on a cost reimbursement basis.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column. Exceptions to this general rule are

payments-in-lieu-of-taxes (PILOT) where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and sewer functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus refers to the type of resources being measured such as current financial resources or economic resources. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, including those on lease liabilities, and expenditures related to pension, other postemployment benefits, compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. The issuance of long-term debt and financing through leases is reported as an other financing source.

Property, franchise, sales and hotel occupancy taxes, and investment income (including unrealized gains and losses) are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of special assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 1 year of year-end). All other revenue items are considered measurable and available only when the government receives cash.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB for the OPEB Retiree Health Plan, OPEB expenses have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms.

D. Budgetary Information

1) Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, grants fund, special revenue funds, and debt service fund. The capital projects funds are appropriated on a project-length basis and often span a period of more than one year. The Farmers Branch Local Government Corporation does not have a legally adopted budget, as the activity during the year is at the discretion of the Management of the primary government.

The appropriated budget is prepared by fund, department and function. The City Manager may transfer unencumbered appropriations within a department and between departments within the same fund. City Council approval is necessary for transfers of unencumbered appropriations between funds. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. Special revenue funds are budgeted at the function level. Appropriations, except remaining project appropriations and encumbrances, lapse at the end of the fiscal year.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1) Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2) Investments

Investments are recorded at fair value (based on quoted market prices), except for investments with maturity of one year or less from date of purchase and investments in TexPool, which are stated at amortized cost.

3) Receivables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable in excess of 90 days comprise the trade accounts receivable allowance for uncollectible accounts.

4) Inventories and Prepaid Items

Inventories are stated at cost for the internal service funds and at the lower of cost or market value (assessed taxable value) for the inventory of land held for resale in the general fund and nonmajor governmental funds. Inventories are recorded as assets when purchased and charged to operations when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5) Capital and Lease Assets

Capital and lease assets include land, buildings, equipment, improvements, infrastructure (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (e.g., software, websites). Capital assets purchased, acquired or developed, are carried at historical cost or estimated historical cost if historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession agreement are recorded at acquisition value. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The City defines capital and lease assets as having a useful life longer than one year and an initial, individual cost that exceeds the capitalization threshold for their class. The capitalization threshold for the infrastructure class is $100,000. The capitalization threshold for lease asset classes is $25,000. The capitalization threshold for all other asset classes is $5,000. Other costs incurred for repairs and maintenance are expensed. Insurance recoveries of $57,058 were received for the year ended September 30, 2022. They are included as an "other financing source" in the governmental funds.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated/amortized on the straight-line basis over the following estimated useful lives or lease term, whichever is shorter.

Capital asset classes	Lives	
Buildings	30 - 50	years
Equipment	5 - 30	years
Improvements	20	years
Intangible assets-software/websites	5	years
Infrastructure	15 - 63	years

6) Lease Receivable

The City is a lessor for noncancellable leases of buildings and tower spaces. The City recognizes a lease receivable and a deferred inflow of resources. At the commencement of a lease, the City initially measurers the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The City monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

7) Lease Liability

The City is a lessee for a noncancellable lease of a building and recognizes a related lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The City recognizes lease liabilities with an initial, individual value of $25,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduce by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

8) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as outflows of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The deferred outflows of resources are reported in the government-wide and proprietary funds statements of net position. The first item is the deferred outflows of resources from pension. For purposes of measuring the net pension liability, deferred outflows of resources related to pension have been determined on the same basis as they are reported by TMRS. The second item is the deferred outflows of resources from OPEB. The third item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunded debt results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources from pensions, OPEB and deferred gain on refunding.

Finally, the City has one item that arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental funds report unavailable revenues from the following sources:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Property taxes	$ 781,809	$ 112,377	$ -	$ 894,186
Ambulance	244,300			244,300
Franchise taxes - electric	678,192			678,192
Charges for services - culture and recreation	185			185
Special assessments			7,503	7,503
Total	$ 1,704,486	$ 112,377	$ 7,503	$ 1,824,366

9) Unearned Revenue

The General and Grant Funds report unearned revenue in connection with grant funding that has been received, but not yet earned. These funds will be recognized as revenue as the City completes related projects for which these funds were provided. At September 30, 2022, the amount reported for unearned revenue totaled $9,555,016, as these proceeds received were not utilized by the end of the current fiscal year.

10) Net Position Flow Assumptions

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consists of capital and lease assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow of assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

11) Fund Balance Policies and Flow Assumptions

Governmental fund balances classified as nonspendable are balances that cannot be spent because they are either not in a spendable form or are legally and/or contractually required to stay intact. Fund balances classified as restricted are balances constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution, which are considered equally restrictive for the purpose of committing fund balance. The City Council must take the same level of action to remove or change the constraint. Assigned fund balances are constrained by intent to use for a specific purpose, but are neither restricted nor committed. Assignments are made by City management based on Council direction.

As previously mentioned, sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). When fund balance resources are available for a specific purpose in more than one classification, it is the City's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. In the general fund, the City strives to maintain a target range of unassigned fund balance to be used for unanticipated emergencies with a low end of 15% and a high end of 20% of the actual GAAP basis expenditures and other financing sources and uses.

12) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Revenues and Expenditures/Expenses

1) Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

2) Property Taxes

The City's property taxes are levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established at 100% of estimated market value. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year.

3) Compensated Absences

The City's employees earn vacation leave (up to a maximum of 192 hours per year for 40 hours per week employees and 288 hours per year for 56 hours per week employees) based on years employed. Upon retirement or termination, payment of accumulated vacation may not exceed that which can be accumulated within two years for employees hired prior to January 1, 2011 and within one and a half years for employees hired on or after January 1, 2011. Unused sick leave, based on days employed, may be accumulated up to certain limits. Upon retirement or termination, employees hired before October 1, 1992 will be paid a maximum of 720 hours of sick pay for 40 hours per week employees or 1,080 hours for 56 hours per week employees. Upon retirement or termination, employees hired between October 1, 1992 and December 31, 2010 with five years or less of service will be paid a maximum of 120 hours of sick pay and with more than five years of service will be paid a maximum of 240 hours of sick pay for 40 hours per week employees or with five years or less of service will be paid a maximum of 180 hours of sick pay and with more than five years of service will be paid a maximum of 360 hours of sick pay for 56 hours per week employees. Employees hired on or after January 1, 2011 receive no payout for unused sick leave upon retirement or termination.

4) Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund and the government's internal service funds are charges to customers for sales and services. Operating expenses for water and sewer funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this $176,863,200 difference are as follows:

Land and rights of way	$	39,403,292
Construction in progress		6,839,035
Improvements		20,164,883
Less: Accumulated depreciation-improvements		(9,855,154)
Buildings and right-to-use buildings		71,040,842
Less: Accumulated depreciation/amortization-buildings and right-to-use buildings		(23,364,913)
Equipment		37,251,622
Less: Accumulated depreciation-equipment		(28,243,925)
Infrastructure		148,752,077
Less: Accumulated depreciation-infrastructure		(85,596,784)
Intangible assets		2,872,621
Less: Accumulated depreciation-intangible assets		(2,400,396)
Net adjustment to increase fund balance - total government funds to arrive at net position -	$	176,863,200

Another element of that reconciliation explains that "internal service funds are used by management to charge the costs of certain activities, such as fleet management and workers' compensation and medical self-insurance programs, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position." The details of this $10,207,988 (net of internal service fund activity) difference are as follows:

Net position of the internal service funds	$	10,665,950
Less: Internal receivable representing changes below cost to business-type activities - current year		(457,962)
Net adjustment to increase fund balance - total government funds to arrive at net position - governmental activities	$	10,207,988

Another element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $100,186,756 difference are as follows:

Bonds payable	$	72,550,000
Add: Issuance premium (to be amortized over life of debt)		2,631,055
Accrued interest payable		857,512
Compensated absences		5,174,856
Net pension liability		5,725,987
Total OPEB liability		4,031,022
Lease liability		302,839
Landfill liability		8,913,485
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$	100,186,756

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period." The details of this $553,622 difference are as follows:

Capital outlay	$	9,366,850
Depreciation and amortization expense	$	(8,813,228)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	553,622

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. In addition, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items." The details of this $(18,828,358) difference are as follows:

Debt issued:		
General obligation refunding and improvement bonds issued	$	(23,810,000)
Premium on bonds issued		-
Total proceeds	$	(23,810,000)
Debt repayments		
To bondholders/debtors	$	4,630,000
To lessors		69,556
Total debt repayments	$	4,699,556
Amortization of long-term debt		
Deferred offering amounts	$	(4,225)
Bond premiums		286,311
Total amortization of long-term debt	$	282,086
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	(18,828,358)

Another element of that reconciliation states that "changes to net pension and OPEB liabiliites and related deferred outflows and inflows of resources do not require the use of current financial resources and thereforeare not reported as expenditures in governmental funds. The details of this $7,451,643 difference are as follows:

OPEB income	$	165,460
Pension income		7,286,183
Net adjustment to increase total governmental funds to arrive at changes in net position of governmental activities	$	7,451,643

Another element of that reconciliation states that "internal service funds are used by management to charge the costs of fleet management, workers' compensation, and health claims, to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities." The details of this $(139,784) difference are as follows:

Change in net position of the internal service funds	$	(142,248)
Plus: charges to business-type activities		2,464
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	(139,784)

C. Explanation of Certain Differences Between the Proprietary Fund Statement of Net Position and the Government-Wide Statement of Net Position

The proprietary fund statement of net position includes reconciliation between *net position – total enterprise funds* and *net position of business-type activities* as reported in the government-wide statement of net position. The description of the only item of that reconciliation is "adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time." The details of the $462,890 difference are as follows:

Internal payable representing charges over cost to business-type activities - prior year	$	460,426
Internal payable representing charges over cost to business-type activities - current year		2,464
Net adjustment to increase net position - total enterprise funds to arrive at changes in net position of business-type activities	$	462,890

3. DETAILED NOTES ON ALL FUNDS

A. Cash Deposits with Financial Institutions

At year-end, the carrying amount of the City's demand deposits, was $(1,403,362) and the bank balance was $424,415. The bank balance was completely covered by federal depository insurance or by collateral held by the City's agent in the City's name. The negative carrying amount is offset by the City's cash equivalents included in investments below.

B. Investments

The Interlocal Cooperation Act, chapter 791 of the Texas Government Code, and the Public Funds Investment Act, chapter 2256 of the Texas Government Code (the "Act"), provide for the creation of public funds investment pools, such as TexPool, through which political subdivisions and other entities may invest public funds. TexPool uses amortized cost to value portfolio assets and follows the criteria for GASB Statement No. 79 for use of amortized cost. TexPool has a credit rating of AAA from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. TexPool invests in a high-quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state.

To maximize investment opportunities, all funds (excluding the debt service fund and the internal service funds) participate in a pooling of cash and investment income. Each fund may liquidate its equity in the pool on demand.

State statutes, City bond ordinances, and City resolutions authorize the City's investments. The City is authorized to invest in U.S. Government obligations and its agencies or instrumentalities, direct obligations of Texas and its agencies and instrumentalities, obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent rating, insured or collateralized certificates of deposit, fully collateralized repurchase agreements, and government pools.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in active markets for identical securities in active markets. Level 2 inputs are valued using observable inputs other than those in Level 1. The City has no Level 3 inputs that are valued using significant unobservable inputs. As of September 30, 2022 , the City had the following investments:

Investments by Fair Value Level	September 30, 2022	Fair Value - Level 1	Fair Value - Level 2	Weighted Average Maturity (in days)
Municipal Obligations	$ 37,321,464	$ -	$ 37,321,464	150
US Treasury Bill	51,744,758		51,744,758	240
Federal Home Loan Bank Notes	2,623,990	-	2,623,990	14
Total Investments by Fair Value Level	91,690,212	-	91,690,212	
Investments Measured at Amortized Cost				
TexPool	33,901,747			22
Total investments at Amortized Cost	33,901,747			
Total Investments at Carrying Amount	$ 125,591,959			
Portfolio Weighted Average Maturity				292

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 24 months (730 days).

Credit Risk. The City's investment policy is to apply the "prudent investor" standard: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The City's investments were rated as follows:

Credit Quality Distribution for Securities with Credit Exposure as a Percentage of Total Investments

Municipal Obligations	Aa/AA	10%
Municipal Obligations	Aaa/AAA	20%
Federal Home Loan Bank Notes	Aaa/AA	2%
Tex Pool	AAAm	27%
US Treasury Bills	AAA	41%

*Aaa/AAA is the highest credit quality issued by Moody 's Investor's Services, and by Standard & Poor's, respectively .

Concentration of Credit Risk. The City places no limit on the amount the City may invest in any one issuer. However, the City's investment policy calls for portfolio diversification by avoiding over-concentration in a specific maturity sector or specific instruments. The City's portfolio is 30% invested in Municipal Obligations; 2% invested in Federal Home Loan Bank ; and 41% invested in US Treasury Bills as of September 30, 2022 . The remaining 27% of the City's investments are invested in an external government investment pool.

C. Receivables (net of allowance for uncollecibles)

Receivables, as of year-end, for the City's individual major fund and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Grants	Debt Service	Stars Multi-Sport	Nonmajor Governmental	Internal Service	Water and Sewer	Nonmajor Stormwater Utility
Receivables:								
Property tax	$ 827,604	$ -	$ 118,836	$ -	$ -	$ -	$ -	$ -
Other taxes	4,781,067				304,025			
Accounts	4,929,523	181,743			13,550	5,909	1,318,405	39,528
Unbilled accounts							2,616,218	76,834
Assessments					111,202			
Leases	2,280,052		3,283,516		-			
Accrued interest	73,951		11,191	6,474	49,662		25,790	6,809
Gross receivables	12,892,197	181,743	3,413,543	6,474	478,439	5,909	3,960,413	123,171
Less: Allowance for uncollectibles	(1,583,227)	-	(5,942)		(13,518)		(146,020)	(4,573)
Net total receivables	$ 11,308,970	$ 181,743	$ 3,407,601	$ 6,474	$ 464,921	$ 5,909	$ 3,814,393	$ 118,598

Lease Receivable

The City leases tower space and buildings to various third parties, the terms of which expire between 2029 and 2036. The City recognized approximately $645,000 in lease revenue and approximately $253,000 in interest revenue during the current fiscal year related to the lease. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of September 30, 2022, the balance of the deferred inflow of resources was $5,509,208.

As of September 30, 2022 the City's receivable for all lease payments was $5,563,568.

D. Capital and Lease Assets

Capital and lease asset activity for the year ended September 30, 2022 was as follows:

	Primary Government				
	Restated Beginning Balance	Additions	Sales/Disposals	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land and rights of way	$ 39,411,462	$ -	$ -	$ -	$ 39,411,462
Construction in progress	15,135,725	6,909,778	(933,805)	(14,272,663)	6,839,035
Total capital assets, not being depreciated	54,547,187	6,909,778	(933,805)	(14,272,663)	46,250,497
Capital and lease assets, being depreciated					
Improvements	14,770,707	1,006,142	-	6,454,172	22,231,021
Buildings	76,487,688	-	-	256,836	76,744,524
Equipment	36,658,316	1,142,033	(184,745)	204,751	37,820,355
Infrastructure	141,475,259	447,995	(350,514)	7,179,337	148,752,077
Intangible assets - software/websites	3,053,957	68,359	-	-	3,122,316
Lease building	372,395	-	-	-	372,395
Total capital and lease assets, being depreciated/amortized	272,818,322	2,664,529	(535,259)	14,095,096	289,042,688
Less accumulated depreciation/amortization for:					
Improvements	(9,352,461)	(709,176)	-	-	(10,061,637)
Buildings	(22,246,949)	(1,620,191)	-	-	(23,867,140)
Equipment	(25,657,292)	(3,105,984)	166,810	-	(28,596,466)
Infrastructure	(82,872,152)	(3,075,146)	350,514	-	(85,596,784)
Intangible assets - software/websites	(2,421,839)	(228,252)	-	-	(2,650,091)
Lease building	-	(74,479)	-	-	(74,479)
Total accumulated depreciation/amortization	(142,550,693)	(8,813,228)	517,324	-	(150,846,597)
Total capital and lease assets, being depreciated/amortized , net	130,267,629	(6,148,699)	(17,935)	14,095,096	138,196,091
Governmental activities capital and lease assets, net	$ 184,814,816	$ 761,079	$ (951,740)	$ (177,567)	$ 184,446,588
Business-type activities:					
Capital assets, not being depreciated:					
Land and rights of way	$ 603,364	$ -	$ -	$ -	$ 603,364
Construction in progress	4,064,675	10,565,182	(148,266)	(3,712,085)	10,769,506
Total capital assets, not being depreciated	4,668,039	10,565,182	(148,266)	(3,712,085)	11,372,870
Capital assets, being depreciated:					
Improvements	46,126	-	-	-	46,126
Buildings	14,693,323	-	-	-	14,693,323
Equipment	6,521,036	351,530	(166,772)	-	6,705,794
Infrastructure	101,299,321	585,200	(226,629)	3,780,372	105,438,264
Intangible assets - software/websites	885,177	59,482	-	104,330	1,048,989
Total capital assets, being depreciated	123,444,983	996,212	(393,401)	3,884,702	127,932,496
Less accumulated depreciation for:					
Improvements	(31,706)	(1,146)	-	-	(32,852)
Buildings	(8,582,336)	(271,039)	-	-	(8,853,375)
Equipment	(4,959,310)	(288,978)	166,772	-	(5,081,516)
Infrastructure	(59,131,243)	(2,185,503)	226,629	-	(61,090,117)
Intangible assets - software/websites	(396,807)	(183,770)	-	-	(580,577)
Total accumulated depreciation	(73,101,402)	(2,930,436)	393,401	-	(75,638,437)
Total capital assets, being depreciated, net	50,343,581	(1,934,224)	-	3,884,702	52,294,059
Business-type activities capital assets, net	$ 55,011,620	$ 8,630,958	$ (148,266)	$ 172,617	$ 63,666,929

The preceding schedule includes internal service assets totaling $7,583,388 in the governmental activities. Internal service fund depreciation expense is allocated to the primary government based on each function or program's usage of its services.

Depreciation expense (includes amortization expense of intangible assets) was charged to functions/programs of the primary government as follows:

Governmental activities:		
General government	$	760,159
Public safety		2,340,396
Public works, which includes the depreciation of general infrastructure assets		3,499,520
Culture and recreation		1,746,577
Unallocated		466,576
Total depreciation/amortization expense - governmental activities	$	8,813,228
Business-type activities:		
Water and sewer	$	2,906,968
Stormwater utility		23,468
Total depreciation expense business-type activities	$	2,930,436

Commitments and Contingent Liabilities

Encumbrances are commitments related to unperformed contracts for goods or services (i.e. purchase orders). At year-end the amount of encumbrances expected to be honored upon performance by the vendor in the next year are as follows:

	Encumbrances	
General fund for general purposes	$	1,083,450
General fund for capital assets		1,266,683
Debt service fund		13,000
Water and sewer fund		134,595
Water and sewer fund for capital assets		420,205
Nonmajor Stormwater utility fund		42,593
Nonmajor funds		515,323
Total	$	3,475,849

The City has entered into several construction contracts during the fiscal year, which include street improvements, replacement of water mains, and the construction of municipal facilities. As of September 30, 2022, the City had outstanding construction contracts totaling $12,804,438 that will be financed from operating funds.

	Construction Commitments	
Water and sewer	$	4,084,046
Dallas Stars multi-sport fund		49,150
Nonmajor capital projects funds		8,671,242
Total	$	12,804,438

E. Interfund Receivables, Payables and Transfers

Government interfund transfers during the year ended September 30, 2022 were as follows:

	TRANSFERS IN			
TRANSFERS OUT	General Fund	Nonmajor Governmental Funds	Internal Service Fund	Total
General fund	$ -	$ 8,339,700	$ 130,000	$ 8,469,700
Storm Water Utility fund	84,800	-	-	84,800
Nonmajor governmental funds	288,000	1,500,000	-	1,788,000
Water & sewer fund	4,935,100	-	110,408	5,045,508
Total	$ 5,307,900	$ 9,839,700	$ 240,408	$ 15,388,008

Eliminations

Interfund transfers are reported in the governmental and proprietary fund financial statements. In the entity-wide statements, interfund transfers are eliminated within the governmental activities column and business-type column, as appropriate.

Purpose of Transfers

Transfers are used to (1) move unrestricted revenues to finance various programs in accordance with budgetary authorizations, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) for the water and sewer fund to the general fund for a payment-in-lieu-of-taxes, and (4) to move constructed capital assets to the Internal Service Fund at project completion.

The Governmental Activities transferred $283,025 of completed capital asset infrastructure to the Business-Type Activities during 2022. Consequently, the Business-Type Activities reports the receipt of the capital assets as a capital contribution in the fund statements and as a transfer in the government-wide statements.

F. Tax Abatements / Tax Increment Financing Zones / Public Improvement Districts

Tax Abatements – The City of Farmers Branch enters into tax abatement agreements with local residents and businesses under Chapter 380 of the Texas Local Government Code. Under this chapter, the City may provide incentives consisting of loans and grants of city funds, use of city personnel, facilities and services with or without charge, for the promotion of economic development.

The City has three categories of economic development agreements:

- Residential Demolition/Rebuild Incentive Program – This program provides property tax abatements to encourage redevelopment of existing housing stock in the City. The program may include a demolition incentive grant up to $30,000 and annual incentive grants (between three and seven years) equal to the difference between the City property taxes assessed and paid for the new improvements (new residential structure excluding the land) for a given tax year and the City property taxes for the residential structure prior to demolition (excluding the land) for the tax year in which the structure was demolished (the "Base Year"). The amounts and number of years the incentive will be paid vary depending on the value of the residential structure and the program in place at the effective date of the agreement. Abatements are obtained through application prior to beginning the improvements and commence when the City issues a certificate of occupancy or certificate of completion for the new residence. The property owner commits to demolition of the existing residence and the construction of a new residence within 24 months of the effective date of the agreement. If construction is not completed as agreed, the City has the option to terminate the agreement and seek reimbursement of the demolition cost reimbursement incentive. No other commitments were made by the City as part of those agreements. For the fiscal year ended September 30, 2022, the City abated property taxes totaling $138,249 for 42 properties under this program.

- Economic Development Agreements – The purpose of these agreements is for the promotion of the expansion of existing businesses within the City and the recruitment of new business enterprises to the City. These agreements include repayment provisions should the recipient fail to fully meet its commitments. The names of businesses receiving sales tax rebates are not disclosed, as they are made confidential by Texas Tax Code Section 151.027.

    - A ten-year agreement for a 50 percent property tax rebate and sixty quarterly sales tax grants of 50% of the sales tax paid for years 1 to 7 and 25% of the sales tax paid for years 8 to 15 to a security services company to relocate its headquarters and call

center. The incentive period began July 2015. The company must maintain a minimum level of taxable sales and continuous occupancy of the premises during the terms of the agreement. The abatements amounted to $443,225 during the fiscal year ended September 30, 2022.

- A ten-year agreement for a tangible personal property tax reduction of 100 percent for years one and two, a 75 percent reduction for years three and four, a 50 percent reduction for years five through seven, and a 25 percent reduction for years eight through ten plus waiver of sewer charges over 75 million gallons for Qorvo Texas, LLC. The company must maintain a minimum taxable value of the tangible personal property of at least $25,000,000 for years one to five and $50,000,000 for years six to ten. The agreement was executed in August 2016. During the fiscal year ended September 30, 2022, Qorvo received the third annual installment of the tax abatement for $110,684 and waiver of sewer charges over 75 million gallons of $68,894.

- An agreement to rebate 30% of tangible personal property tax for ten years for BSN Sports, LLC to maintain tangible personal property at the leased premises of at least $18,000,000 as of January 1 of each calendar year. The agreement was executed in June 2017. The abatements amounted to $10,474 for the fiscal year ended September 30, 2022.

- A ten-year agreement for semi-annual economic development grants equal to 50 percent of use taxes collected by the City to a home building company. The company must purchase building materials from Farmers Branch vendors to be eligible for the [illegible] September 30, 2022.

- Tax Increment Financing –The City has two active reinvestment zones ("TIF No. 2" and "TIRZ No. 3") for the purpose of tax increment financing of infrastructure. In accordance with State law pertaining to tax increment reinvestment zones, the costs of public infrastructure improvements in the zone are repaid by the contribution of future tax revenues by each taxing unit that levies taxes against the property. The City contributed 100% of the incremental tax revenues associated with the growth of the tax base in TIF No. 2 to a special fund to pay costs of infrastructure in the zones. There are $103,571,656 of infrastructure improvements in the TIF No. 2 project plan, including streets, water and sewer projects. TIF No. 2 was scheduled to expire December 31, 2020; however, the City extended its participation on November 17, 2020 from January 1, 2021 until December 31, 2031 at a participation rate of 25%.

  For tax years 2017, 2018, and 2019, the City contributed 1% of the incremental tax revenues generated from the City's ad valorem tax associated with the growth of the tax base in TIRZ No. 3 to a special revenue fund to reduce the public improvement district assessments within the zone. For years 2020 through and including 2052, the City will contribute 40% of the incremental tax revenue generated by the City's ad valorem tax associated with the growth of the tax base in TIRZ No. 3 to a special revenue fund to reduce the public improvement district assessment associated with the zone. There are $401,843,880 of infrastructure improvements in the TIRZ No. 3 project plan and the TIRZ No. 3 increment for tax year 2021 is $160,737,552. The TIRZ No. 3 is scheduled to terminate in tax year 2052.

  The City Council, upon recommendation of the Council-appointed TIF Board for each district, can enter into economic grant agreements with developers to utilize TIF funds. Unlike contractual obligations, TIF grants are subject to availability of TIF funds, and any balance owed to a developer upon termination of the TIF district will no longer be considered an obligation of the City. The City made $858,136 in property tax rebates from general TIF resources.

  Public Improvement District – Under Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act",) the City authorized the creation of the Mercer Crossing Public Improvement District (the "PID") to impose annual assessments on property owners within the PID (the "Assessments") to pay for certain public improvements (the "Public Improvements"). The PID is composed of approximately 397.6 acres that are being developed as a master-planned mixed-use development known as "Mercer Crossing". The development is expected to include, among other things, single-family homes, active adult senior condominiums, two hotels, office, retail, commercial, and an amphitheater. Pursuant to a master development agreement and a reimbursement agreement (together, the "Agreements"), the City has agreed to reimburse the Developer for a portion of the costs of the Public Improvements within the PID in a total amount not to exceed $43,247,845, plus accrued interest, from assessment revenues. Under the terms of the Agreements, the Assessments may be offset in each year by tax increment revenues generated with Tax Increment District, which includes the PID property. The only obligation of the City under Agreements is the collection and enforcement of the Assessments and the payment of annual Assessment revenues to the Mercer Crossing developer pursuant to the terms of the Agreements. The City has not issued debt to fund its obligations under the Agreements.

G. Long-Term Liabilities

General Obligation Bonds – The City of Farmers Branch issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. Currently, the City has no outstanding general obligation bonds issued for business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as serial bonds with equal amounts of principal maturing each year with maturities that range from five to 20 years. The City is required to compute, at the time taxes are levied, the rate of tax required to provide a fund to pay interest and principal at maturity. The City is in compliance with this requirement.

Direct Placement Bonds – The City of Farmers Branch issues direct placement general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Direct placement general obligation bonds have been issued for governmental activities.

Bonds payable at September 30, 2022 are comprised of the following individual issues:

Bonds Payable:	Sale Date	Original Borrowing	Interest Rates to Maturity (%)	Final Maturity	Outstanding Sept. 30, 2022
Bonds - Public Offerings					
Certificates of obligation, taxable	2009	$ 10,000,000	1.50 - 5.22	2024	$ 1,745,000
General obligation refunding bonds, taxable	2011	7,035,000	0.44 -4.00	2025	2,225,000
Certificates of obligation	2013	6,500,000	2.50 - 4.50	2032	4,120,000
Certificates of obligation	2014	1,890,000	2.00 - 5.00	2024	430,000
General obligation bonds	2014	13,920,000	2.00 - 5.00	2034	7,470,000
Certificates of obligation	2016	2,545,000	2.00 - 3.00	2036	1,900,000
Certificates of obligation	2018	10,515,000	3.00 - 5.00	2038	13,055,000
General obligation bonds	2018	13,540,000	3.25 - 4.00	2038	6,055,000
General obligation bonds	2020	12,305,000	2.00 - 4.00	2039	11,415,000
Certificates of obligation	2022	23,810,000	3.36 - 4.84	2047	23,810,000
Total General Obligation Bonds - Public Offerings		102,060,000			72,225,000
Bonds - Direct Placement					
Certificates of obligation	2012	3,000,000	1.69	2023	325,000
Total Bonds Payable		$ 105,060,000			$ 72,550,000

Legal Debt Margin – The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

Calculation of Legal Debt Margin – September 30, 2022

Adjusted Tax Base Valuation	$ 6,951,338,755
Constitutional Limit	2.5% of assessed valuation
Maximum Constitutional Revenue Available	$ 173,783,469
Tax Rate to Achieve Maximum Tax Revenue	$2.5000 per $100 of valuation
Adopted Tax Rate for Fiscal Year 2020-21	$0.58900 per $100 of valuation
Available Unused Constitutional Maximum Tax Rate	$1.9110 per $100 of valuation

Landfill Closure and Postclosure Costs – The City owns a sanitary landfill site located in the city of Lewisville, Texas. On October 1, 2008, the City renewed a previous ten-year contract with Allied Waste North America, Inc. ("Allied Waste") for the operation and management of the landfill. The current agreement continues until all permitted air space has been filled with waste material.

The landfill operates on a "cell" basis and state and federal laws require the City to close the landfill once its capacity is reached and to monitor and maintain the site for 30 subsequent years. The site capacity of 53.2 million cubic yards will be reached in approximately 30 years. The City recognizes a portion of the final closure and postclosure care liability in each operating period even though actual final payout will not occur until the landfill is completely closed.

The amount recognized as a liability is based on the landfill capacity used as of the balance sheet date. As of September 30, 2022, the City had incurred a liability of $8,913,485, which represents the amount of costs estimated to date based on 44% of landfill capacity used to date. This amount includes a reduction of $29,127 for closure related expenditures paid during fiscal year 2022. The remaining estimated liability for these costs is $11,368,696, which will be recognized as the remaining capacity is used. Additionally, during the term of the agreement, the City is required to maintain a special revenue fund for future landfill closure and postclosure costs and has restricted the fund balance of $3,939,892 for these costs. The estimated cost of closure and postclosure care are subject to changes such as the effects of inflation, revision of laws, and other variables.

Changes in long-term liabilities - Changes in the City's long-term liabilities for the year ended September 30, 2022 are as follows:

	Balance at Beginning of Year	Increase	Decrease	Balance at End of Year	Due Within One Year	Due Within More Than One Year
Governmental Activities						
Bonds payable - public offerings						
Bonds - public offerings	$ 52,725,000	$ 23,810,000	$ (4,310,000)	$ 72,225,000	$ 4,510,000	$ 67,715,000
Unamortized amounts: For issuance premiums	2,917,366	-	(286,311)	2,631,055	-	2,631,055
Total bonds payable - public offerings	55,642,366	23,810,000	(4,596,311)	74,856,055	4,510,000	70,346,055
Bonds payable - direct placements						
Certificates of obligation bonds - direct placements	645,000	-	(320,000)	325,000	325,000	-
Total bonds payable	56,287,366	23,810,000	(4,916,311)	75,181,055	4,835,000	70,346,055
Compensated absences	4,725,440	6,753,525	(6,181,167)	5,297,798	720,485	4,577,313
Net pension liability	19,672,069	-	(13,733,563)	5,938,506	-	5,938,506
Total OPEB liability	4,428,320	-	(166,174)	4,262,146	452,650	3,809,496
Claims	960,771	4,208,646	(4,329,643)	839,774	715,966	123,808
Leases	372,395	-	(69,556)	302,839	71,138	231,701
Landfill closure and postclosure care costs	8,148,946	793,666	(29,127)	8,913,485	-	8,913,485
Governmental activities long-term debt	$ 94,595,307	$ 35,565,837	$ (29,425,541)	$ 100,735,603	$ 6,795,239	$ 93,940,364
Business-type activities						
Compensated absences	$ 236,876	$ 285,115	$ (288,880)	$ 233,111	$ 49,700	$ 183,411
Net pension liability	1,053,782	-	(687,198)	366,584	-	366,584
Total OPEB liability	437,966		(16,435)	421,531	23,824	397,707
Business-type activities long-term debt	$ 1,728,624	$ 285,115	$ (992,513)	$ 1,021,226	$ 73,524	$ 947,702
Total	$ 96,323,931	$ 35,850,952	$ (30,418,054)	$ 101,756,829	$ 6,868,763	$ 94,888,066

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals for governmental activities. At year-end, internal service fund liabilities for claims payable of $839,774 , compensated absences of $122,942 , total OPEB liability of $231,124 , and net pension liability of $212,519 are included in the above amounts. In addition, for the governmental activities, claims payable, compensated absences, total OPEB liability and net pension liability are generally liquidated by the general fund. The landfill closure and postclosure care costs will be liquidated from the landfill closure/postclosure fund.

The debt service requirements at September 30, 2022 are as follows:

Governmental Activities:

Year Ended	Bonds - Public Offerings		Bonds - Direct Placements		
September 30	Principal	Interest	Principal	Interest	Total
2023	$ 4,510,000	$ 2,640,367	$ 325,000	$ 3,204	$ 7,478,571
2024	4,145,000	2,454,288			6,599,288
2025	3,875,000	2,304,365			6,179,365
2026	4,025,000	2,158,637			6,183,637
2027	3,560,000	2,029,473			5,589,473
2028-2032	19,125,000	8,101,206			27,226,206
2033-2037	17,110,000	4,886,524			21,996,524
2038-2042	8,590,000	2,514,189			11,104,189
2043-2047	7,285,000	914,798			8,199,798
Total	$ 72,225,000	$ 28,003,847	$ 325,000	$ 3,204	$ 100,557,051

Lease Liability - The City has an agreement as lessee for building space, the terms of which expire in 2026. During the year ended September 30, 2022, the City did not recognize any rental expense for variable expenses not previously included in the measurement of the lease liability.

The following is a schedule by year of payments under the lease as of September 30, 2022:

Year Ending September 30,	Principal	Interest	Total
2023	$ 71,138	$ 11,062	$ 82,200
2024	74,102	8,098	82,200
2025	77,191	5,009	82,200
2026	80,408	1,792	82,200
	$ 302,839	$ 25,961	$ 328,800

H. Risk Management and Other Information

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters: and, injuries to employees. A Schedule of Insurance Policies in Force showing the type of coverage, deductible, and liability limit is shown in Table 18.

Workers' Compensation Insurance - The City has established the workers' compensation fund (an internal service fund) to account for workers' compensation uninsured risks of loss. Under this program, the workers' compensation fund provides coverage for up to a maximum of $350,000 for each workers' compensation occurrence claim.

The costs associated with this self-insurance plan are funded by charges to the City's other funds. Liabilities include provisions for claims reported and claims incurred, but not reported. The provision for reported claims is computed by the City's third-party administrator based upon standard actuarial principles. The provision for claims incurred, but not yet reported, is estimated based on the City's experience and an actuarial study that was performed during fiscal year 2022. State law provides that the City is relieved of liability if notice of employee injury is not been received within 30 days of the date on which the injury occurs.

At September 30, 2022, the amount of workers' compensation liabilities was $287,925 . Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability for unpaid claims includes allocated loss adjustment expenses (ALAE), which are primarily legal expenses. Changes in the balance of claims liability during the past two years are as follows:

Fiscal Year	Beginning Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Ending Fiscal Year Liability
2020-2021	$ 191,195	$ 582,795	$(281,379)	$ 492,611
2021-2022	$ 492,611	$ 1,484	$(206,170)	$ 287,925

At September 30, 2022, workers' compensation fund cash and investments of $1,278,298 were held for funding future obligations. The City continues to carry commercial insurance for other risks of loss (except medical insurance as described in the following section). Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Group Medical Insurance – The health claims fund (an internal service fund) was established to account for the provision of group medical insurance coverage for employees and their dependents. The City's medical insurance program is a "self-insured" plan funded by both the City and participating employees. The City makes a predetermined contribution to the plan each month for a portion of medical group insurance coverage. This is done on a bi-monthly basis for qualifying City employees and their dependents. Employees contribute through payroll deductions for the balance of their medical coverage.

The City's medical insurance program is made up of two contracts, a specific stop loss contract and an aggregate stop loss contract. The specific stop loss contract has a specific deductible of $150,000 per individual and an $80,000 aggregating specific corridor with an unlimited lifetime maximum benefit on eligible expenses. The aggregate stop loss contract has a minimum attachment point of $4,804,528, which may increase based on enrollment. The aggregate contract will pay up to $1,000,000 on total claims over the attachment point.

All claims are reviewed and processed by an independent insurance company. The insurance company pays claims based on the health plan and the City reimburses the insurance company for each claim paid. The insurance company charges the City a fee for this service.

At September 30, 2022, the amount of estimated claims payable was $551,849. Changes in the reported liability since October 1, 2020 resulted from the following:

Fiscal Year	Beginning Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
2020-2021	$ 439,848	$ 1,888,744	$(1,860,432)	$ 468,160
2021-2022	$ 468,160	$ 4,207,162	$(4,123,473)	$ 551,849

Claims payable include provisions for claims reported and claims incurred but not reported. The provision for reported claims and for claims incurred but not reported is determined by an independent consultant.

Deferred Compensation Plan - The City offers all employees a deferred compensation plan through Empower Retirement in accordance with Internal Revenue Code Section 457. The 457 Plan provides employees an option to supplement their TMRS retirement benefits by making pre-tax contributions to their plan. All assets are held in trust for the exclusive benefit of participants and their beneficiaries. Therefore, it is not reported in the financial statements of the City. Benefit provisions are contained in the plan document and were established and can be amended by the action of city council. Employees may enroll in the plan and/or change their contribution amounts at any time. The City does not have any financial contribution obligations regarding this 457 Plan and did not make any contributions during the year ended September 30, 2022.

1) Commitments and Contingencies

The City has several long-term agreements with significant commitments as follows:

a. City of Dallas Water Purchase Agreement - The City purchases treated water from the City of Dallas under a 30-year contract negotiated in August 2010. The City makes payments to the City of Dallas at a rate of $.4480 per 1,000 gallons plus $312,607 per year for each million gallons per day rate of flow (maximum delivery rate). The City paid $6,668,954 to the City of Dallas for the fiscal year ended September 30, 2022.

b. Trinity River Authority (the "Authority") Sewage Disposal Agreement - On November 29, 1973, the City, along with other cities, entered into a 50-year contract with the Authority, whereby the Authority will provide and operate a regional wastewater treatment plant and wastewater conveyance facility constructed with the Authority's funds. At the conclusion of the 50 years (in 2023), the contract shall remain in effect until any remaining TRA bonds have been repaid in full. In return, the cities agreed to pay for such services based on a usage formula that will provide reimbursements for operations, maintenance, and debt service payments to the Authority. The cities are jointly and severally responsible for the above payments. Each city's proportionate share is determined annually according to its contributing flow to the system. The City paid $4,615,631 to the Authority for the fiscal year ended September 30, 2022.

The City is involved in various legal actions in which claims of varying amounts are being asserted against the City. The City follows the practice of providing for any uninsured claims when a loss is probable and a loss becomes fixed or determinable in amount. In the opinion of City management, these actions will not result in a significant impact of the City's financial position.Events could occur that would change this estimate materially in the near term.

The City participates in several federal grant programs that are governed by various rules and regulations of the grantor agencies. Amounts received or receivable from grant agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, which may be disallowed by the grantor, cannot be determined at this time, although the City expects such amounts, if any, to be immaterial. For the year ended September 30, 2022, grant expenditures did exceed the threshold for the single audit requirement; therefore, a single audit will be performed regarding the City's federal funding.

2) Postemployment Benefits Other Than Pensions (OPEB)

Plan Description - The City of Farmers Branch administers a single-employer defined benefit OPEB plan, the "Retiree Health Plan". The plan provides OPEB through the City's group health insurance plan, which covers both active and retired members (see funding policy below). Contributions are established through City policy as approved by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Retiree Health Plan does not issue a publicly available financial report.

The eligibility requirements are:

- Must be a current, full-time employee hired prior to January 1, 2007 and are not eligible for Medicare;
- Must have worked for the City for at least ten years, which needs to be concurrent;
- Must meet the eligibility requirements of the Texas Municipal Retirement System (TMRS) and retire from the City; and,
- Must be on the City's health plan at the time of retirement, and for dependents to be carried on the health plan, they must be on the plan at that time.

Benefits Provided - The City contributes $575 per month toward the cost of a health reimbursement account (HRA) administered through HSA Bank, plus an annual lump sum funding of $500 to the HRA, and the full premium for life insurance coverage of $12,000. The City's contribution for future health insurance premiums is capped at a maximum of $575 per month. As an alternative, to the HRA, retirees may be provided an age-adjusted high deductible health insurance plan with no contribution from the City.

Plan members receiving benefits contribute the full group premium for dental or vision plans selected. They also pay the full premium for age-adjusted life insurance coverage if they choose coverage after they turn 65.

Retirees are required to enroll in Medicare, if they are eligible, at age 65. For those who are not eligible for Medicare, the City will pay the monthly premium for Medicare Part A for any retirees who reach age 65 and must provide documentation from Social Security on Medicare ineligibility.

Employees Covered by Benefit Terms – At the December 31, 2021 measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries	74
Inactive, nonretired members	-
Active employees	124
Total	198

The City's retiree healthcare benefit is only provided to employees who were hired prior to January 1, 2007 and are not eligible for Medicare.

Total OPEB Liability

The City's total OPEB liability of $4,683,677 was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2020.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods including in the measurement, unless otherwise specified:

Actuarial Assumptions and Methods

Valuation Date:	December 31, 2020
Methods and Assumptions:	
Actuatrial cost method	Individual Entry-Age Normal
Discount rate	1.84% as of December 31, 2021
Inflation	2.50%
Salary increases	3.50% to 11.50%, including inflation
Demographic assumption	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.
Health care cost trends	N/A. The City's subsidy is a fixed dollor contribution to a retiree health care account
Participation rates	Medical: 85% of retirees who are eligible for a subsidy; Life Insurance: 100% of eligible retirees
Other Information:	
Notes	The discount rate changed from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021.

Changes in the Total OPEB Liability	Total OPEB Liability
Balance at 12/31/2020	$ 4,866,286
Changes for the year:	
Service cost	131,014
Interest on the total OPEB liability	93,957
Difference between expected and actual experience of the total OPEB liability	22,259
Changes of assumptions	38,096
Benefit payments	(467,935)
Net changes	(182,609)
Balance at 12/31/2021	$ 4,683,677

There were no changes in benefit terms during the year.

Changes of assumptions reflect a change in the discount rate from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021. The discount rate was based on the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

Sensitivity of the Total OPEB Liability to the Discount Rate Assumption – Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the City's total OPEB liability, calculated using a discount rate of 1.84%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease 0.84%	Discount Rate 1.84%	1% Decrease 2.84%
Total OPEB Liability	$ 4,925,173	$ 4,863,677	$ 4,449,021

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates Assumption – Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the City's total liability, calculated using the assumed trend rates as well as what the City's total OPEB liability would be if it were calculated using trend rates that are one percent lower or one percent higher:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 4,683,677	$ 4,683,677	$ 4,683,677

Note: The City's retiree medical benefit is a set dollar amount that is not impacted by future medical trends.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the City of Farmers Branch recognized OPEB expense of $268,040. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Benefits paid subsequent to the measurement date	$ 350,951	$ -
Changes in assumptions	272,744	28,764
Difference betweeen expected and actual experience	30,030	139,653
Total	$ 653,725	$ 168,417

The amount of $350,951 reported as deferred outflows of resources related to OPEB resulting from benefit paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30:		
2023	$	43,069
2024		50,953
2025		34,492
2026		5,843
Total	$	134,357

Allocation of OPEB Items

The City allocates OPEB items between governmental activities and business-type activities on the basis of employee payroll funding. For the governmental activities, the total OPEB liability is liquidated by the general fund and fleet and facilities management fund. For the business-type activities, the total OPEB liability is liquidated by the water and sewer fund.

3) Defined Benefit Pension Plan

Plan Description

The City of Farmers Branch participates as one of over 920 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the System with a six- member, governor appointed, Board of Trustees, however TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available annual comprehensive annual financial report that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS. The City does not participate in the Social Security system.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Employees covered by benefit terms:

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	378
Inactive employees entitled to but not yet receiving benefits	396
Active employees	398
Total	1,172

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City matching ratios are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Farmers Branch were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City of Farmers Branch were 19.22% and 18.64% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022 were $7,328,330, and were $520,000 more than the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rate for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post- retirement mortality assumption for healthy annuitants and Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

Discount rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the net pension liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 10/1/2021	$ 286,300,875	$ 265,575,024	$ 20,725,851
Changes for the year:			
Service cost	5,281,449		5,281,449
Interest	19,027,607		19,027,607
Difference between expected and actual experience	3,966,105		3,966,105
Contributions - employer		6,105,689	(6,105,689)
Contributions - employee		2,154,437	(2,154,437)
Net investment income		34,594,891	(34,594,891)
Benefit payments, including refunds of employee contributions	(14,102,244)	(14,102,244)	-
Administrative expense		(160,193)	160,193
Other changes		1,098	(1,098)
Net changes	$ 14,172,917	$ 28,593,678	$ (14,420,761)
Balance at 9/30/2022	$ 300,473,792	$ 294,168,702	$ 6,305,090

Sensitivity of the net pension liability (asset) to changes in the discount rate:

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Current Single Rate 6.75%	1% Decrease 7.75%
City's net pension liability (asset)	$ 46,510,291	$ 6,305,090	$(26,810,238)

Pension plan fiduciary net position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions:

For the year ended September 30, 2022, the City recognized pension income of $545,220.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 5,307,021	
Differences between projected and actual investment earnings		$ 17,811,279
Changes of actuarial assumptions	$ 24,913	
Differences between expected and actual economic experience	$ 2,897,946	$ 554,554
Total	$ 8,229,880	$ 18,365,833

The amount of $5,307,021 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows (inflows) of resources related to pension will be recognized in pension expense as follows:

Year Ended:	
2023	$ (2,173,007)
2024	(6,687,192)
2025	(3,249,061)
2026	(3,333,714)
Total	$ (15,442,974)

4) Accounting Standards

The GASB has issued the following Statement(s) which were implemented during the current fiscal year as shown below:

GASB Statement No. 87 - *Leases*: In 2022, the City adopted GASB 87. The Statement establishes a single model for lease accounting based on the principle that leases represent the financing of the right to use an underlying asset. The adoption of GASB 87 resulted in changes in presentation of financial statements and related disclosures in the notes to the financial statements. The adoption of GASB 87 had no impact on beginning net position.

The GASB has issued the following Statements which will become effective in future years as shown below:

GASB Statement No. 91 – *Conduit Debt Obligations.* The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice. The requirements of this Statement will take effect for the City's fiscal year 2023. Management has not yet determined the impact of this Statement on its financial statements.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements ("PPPs"). The requirements of this Statement will take effect for the City's fiscal year 2023. Management has not yet determined the impact of this Statement on its financial statements.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements.* The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. The requirements of this Statement will take effect for the City's fiscal year 2023. Management has not yet determined the impact of this Statement on its financial statements.

GASB Statement No. 101 - *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement will take effect for the City's fiscal year 2025. Management has not yet determined the impact of this Statement on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS (will ultimately be displayed)
(UNAUDITED)

Measurement Year	2014	2015	2016	2017	2018	2019	2020	2021
Actuarial Valuation Date	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Total pension liability								
Service cost	$ 4,007,557	$ 4,261,691	$ 4,616,826	$ 4,806,867	$ 4,866,475	$ 5,127,310	$ 5,240,367	$ 5,281,449
Interest (on the total pension liability)	15,367,910	15,717,266	15,747,728	16,395,749	17,101,046	17,818,591	18,476,451	19,027,607
Difference between expected and actual experience	(3,914,413)	(698,312)	1,000,031	1,014,084	876,127	415,085	(1,293,960)	3,966,105
Change in assumptions		626,944				121,972		-
Benefit payments, including refunds of employee contributions	(10,236,923)	(10,957,740)	(11,677,954)	(12,040,638)	(11,554,676)	(13,132,856)	(14,453,989)	(14,102,244)
Net change in total pension liability	5,224,131	8,949,849	9,686,631	10,176,062	11,288,972	10,350,102	7,968,869	14,172,917
Total pension liability - beginning	222,656,259	227,880,390	236,830,239	246,516,870	256,692,932	267,981,904	278,332,006	286,300,875
Total pension liability - ending (a)	$ 227,880,390	$ 236,830,239	$ 246,516,870	$ 256,692,932	$ 267,981,904	$ 278,332,006	$ 286,300,875	$ 300,473,792
Plan fiduciary net position								
Contributions - employer	$ 4,951,824	$ 4,939,690	$ 4,776,281	$ 5,118,344	$ 5,312,253	$ 5,553,843	$ 5,829,450	$ 6,105,689
Contributions - employee	1,779,313	1,843,704	1,920,471	1,964,277	2,000,313	2,102,588	2,148,396	2,154,437
Net investment income	11,387,339	305,177	13,701,366	29,283,799	(7,051,348)	34,618,034	19,190,023	34,594,891
Benefit payments, including refunds of employee contributions	(10,236,923)	(10,957,740)	(11,677,954)	(12,040,638)	(11,554,676)	(13,132,856)	(14,453,989)	(14,102,244)
Administrative expense	(118,899)	(185,890)	(154,760)	(151,785)	(136,330)	(195,719)	(124,261)	(160,193)
Other	(9,775)	(9,182)	(8,338)	(7,692)	(7,123)	(5,880)	(4,848)	1,097
Net change in plan fiduciary net position	7,752,879	(4,064,241)	8,557,066	24,166,305	(11,436,911)	28,940,010	12,584,771	28,593,677
Plan fiduciary net position - beginning	199,075,146	206,828,025	202,763,784	211,320,850	235,487,155	224,050,244	252,990,254	265,575,025
Plan fiduciary net position - ending (b)	$ 206,828,025	$ 202,763,784	$ 211,320,850	$ 235,487,155	$ 224,050,244	$ 252,990,254	$ 265,575,025	$ 294,168,702
Net pension liability - ending [(a) - (b)]	$ 21,052,365	$ 34,066,455	$ 35,196,020	$ 21,205,777	$ 43,931,660	$ 25,341,752	$ 20,725,850	$ 6,305,090
Plan fiduciary net position as a percentage of total pension liability	90.76%	85.62%	85.72%	91.74%	83.61%	90.90%	92.76%	97.90%
Covered payroll	$ 25,406,973	$ 25,797,163	$ 26,888,911	$ 28,061,102	$ 28,575,894	$ 30,036,968	$ 30,681,303	$ 30,777,674
Net pension liability as a percentage of covered payroll	82.86%	132.06%	130.89%	75.57%	153.74%	84.37%	67.55%	20.49%

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	(1) Actuarially determined contribution	(2) Contributions in relation to the actuarially determined contribution	(3) Contribution excess (deficiency) (2) - (1)	(4) Covered pay roll	(5) Actuarially determined contributions as a percentage of cov ered pay roll (1)/(4)	(6) Contributions as a percentage of covered pay roll (2)/(4)
2013	4,875,095	4,875,095	0	24,834,269	19.63%	19.63%
2014	4,919,572	4,919,572	0	25,143,279	19.57%	19.57%
2015	4,887,161	4,887,161	0	25,596,098	19.09%	19.09%
2016	4,859,534	4,859,534	0	26,799,133	18.13%	18.13%
2017	5,042,680	5,042,680	0	27,664,216	18.23%	18.23%
2018	5,235,027	5,235,027	0	28,294,655	18.50%	18.50%
2019	5,512,290	5,512,290	0	29,772,189	18.51%	18.51%
2020	5,596,912	5,596,912	0	29,695,237	18.85%	18.85%
2021	5,901,143	5,901,143	0	31,021,165	19.02%	19.02%
2022	6,808,330	7,328,330	520,000	34,097,741	19.97%	21.49%

NOTES TO SCHEDULE OF CONTRIBUTIONS

VALUATION DATE:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Closed Remaining Amortization Period	24 Years
Asset Valuation Method	10 Year Smoothed Market, 12% Soft Corridor
Corridor Inflation	2.5%
Salary Increases	3.50% to 11.50% Including Inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generationial basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The Rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTH PLAN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS (will ultimately be displayed)
(UNAUDITED)

Measurement Date December 31,	2021	2020	2019	2018	2017
Total OPEB liability					
Service Cost	$ 131,014	$ 120,599	$ 103,922	$ 112,523	$ 117,900
Interest on the total OPEB liability	93,957	139,265	177,352	173,090	199,485
Difference between expected and actual experience of the total OPEB liability	22,259	(186,450)	21,854	(142,849)	15,272
Changes of assumptions	38,096	25,396	449,630	(109,852)	143,553
Benefit payments	(467,935)	(472,782)	(481,825)	(473,238)	(486,880)
Net change in total OPEB liability	(182,609)	(373,972)	270,933	(440,326)	(10,670)
Total OPEB liability - beginning	4,866,286	5,240,258	4,969,325	5,409,651	5,420,321
Total OPEB liability - ending	$ 4,683,677	$ 4,866,286	$ 5,240,258	$ 4,969,325	$ 5,409,651
Covered-employee payroll	$ 10,176,385	$ 11,301,580	$ 13,088,231	$ 13,527,167	$ 12,668,540
Total OPEB liability as a percentage of covered-employee payroll	46.02%	43.06%	40.04%	36.74%	42.70%

Notes to Schedule:

FYE20 - The demographic assumptions were updated to reflect the 2019 TMRS Experience Study .

Changes of assumptions reflect the effects of changes in the discount rate each period.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

The following are the discount rates used in each period:

FYE	Discount Rate
2022	1.84%
2021	2.00%
2020	2.75%
2019	3.71%
2018	3.31%
2017	3.81%

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OTHER SUPPLEMENTARY INFORMATION

COMBINING FINANCIAL STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used by the City to account for the accumulation and disbursement of restricted resources. The following is a description of the City's Special Revenue Funds:

Hotel/Motel - to account for receipt and allocation of the City's hotel/motel occupancy tax. Use of this tax is limited by law to the promotion of tourism. The City hotel occupancy tax rate for its twelve hotels is 7%.

Police Forfeitures - to account for proceeds from the sale of assets seized in connection with drug arrests. Revenues are restricted to law enforcement expenditures.

Donations - to account for voluntary contributions for community improvement.

Cemetery – to account for grounds maintenance of Keenan Cemetery.

Tax Increment Reinvestment Zone No. 3 – to dedicate certain tax increment revenues to the Mercer Crossing Development and apply these revenues to reduce the public improvement district assessments.

Municipal Court Fees – to account for the municipal court building security fee dedicated to courthouse security and the municipal court technology fee for the purchase of technological enhancements.

Landfill Closure/Postclosure - to account for the accumulated contributions from a prior contract with Allied Waste North America, Inc. to provide resources for current and future landfill costs related to closure/postclosure.

Joint Fire Training – to account for the contributions from the participating cities to pay for the operations of the Joint Fire Training facility.

PEG Access Channel – to account for Public, Educational, Governmental (PEG) access channel capital support. Funding source is 1% of cable franchisees' gross revenue.

Farmers Branch Local Government Corporation – to account for activities to further the promotion, development, encouragement, and maintenance of employment, commerce, economic development and public facility development in Farmers Branch on behalf of the City.

Residential Revitalization Bond – to finance the City's programs for economic development for single-family residential redevelopment and revitalization in the City.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for all resources used for the acquisition and/or construction of major capital facilities by the City, except those financed by the Enterprise Fund. The following is a description of the City's Capital Projects Funds:

Non-Bond Capital Projects – to account for the acquisition and construction of major capital facilities.

Hotel/Motel – to account for the construction and financing of historical park improvements, funded by hotel/motel tax revenues.

Street Improvement Bond – to account for permanent public improvements for streets, thoroughfares, bridges, interchanges, intersections, grade separations, sidewalks and other public ways of the City, including streetscape improvements, public utility improvements, storm drainage facilities, and the acquisition of land therefor.

Fire Station #2 / Landfill Bond – to account for the construction and relocation of Fire Station #2 and to construct a new scale house and maintenance facility at the Camelot Landfill.

Radio System Bond – to account for public radio system upgrades and improvements.

Consolidated Dispatch Bond – to account for acquiring, equipping, or constructing of joint public safety dispatch, communications, and training facilities.

Pike Street / Station Area Improvement Bond – to account for infrastructure construction in the City's light rail station area including sidewalks, street lighting, parking and streetscaping, and related storm drainage improvements, and acquiring rights-of-way in connection therewith.

TIF No. 2 District - to account for infrastructure construction in the Old Farmers Branch tax increment financing district and is funded from developer contributions, developer advances, and property tax payments.

Trails & Sidewalks Bond – to provide funds for park and open space improvements, including trails, sidewalks and nature preserves.

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT F-1

COMBINING BALANCE SHEET - SUMMARY
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash, cash equivalents, and investments	$ 7,730,142	$ 24,368,636	$ 32,098,778
Receivables (net of allowance for uncollectibles)	407,756	7,503	415,259
Accrued interest and other	11,958	37,704	49,662
Inventories	1,718,800		1,718,800
Prepaid items	875		875
Total assets	$ 9,869,531	$ 24,413,843	$ 34,283,374
LIABILITIES			
Accounts payable	$ 311,450	$ 928,366	$ 1,239,816
Retainage payable	13,656	147,547	161,203
Deposits payable	75,000	318,334	393,334
Total liabilities	400,106	1,394,247	1,794,353
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue		7,503	7,503
Total deferred inflows of resources	-	7,503	7,503
FUND BALANCES			
Nonspendable			
Inventory	1,718,800		1,718,800
Prepaid items	875		875
Restricted for			
Construction of capital assets		14,463,216	14,463,216
Landfill closure / postclosure	3,939,892		3,939,892
Promotion of tourism	1,918,725		1,918,725
Purpose of grantors, trustees and donors	756,997		756,997
Economic development	327,054		327,054
Law enforcement	780,504		780,504
Fire training operations	26,578		26,578
Assigned to			
Construction of capital assets	-	8,551,647	8,551,647
Unassigned	-	(2,770)	(2,770)
Total fund balances	9,469,425	23,012,093	32,481,518
Total liabilities, deferred inflows of resources, and fund balances	$ 9,869,531	$ 24,413,843	$ 34,283,374

CITY OF FARMERS BRANCH, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2022

	Nonmajor Special Revenue Funds					
	Hotel/ Motel	Police Forfeitures	Donations	Cemetery	Tax Increment Reinvestment Zone No. 3	Municipal Court Fees
ASSETS						
Cash, cash equivalents, and investments	$ 1,787,016	$ 472,869	$ 438,277	$ 10,541	$ 265,961	$ 306,682
Receivables (net of allowance for uncollectibles)	304,025	952			90,181	
Accrued interest and other	3,822	794	728	17	1,592	277
Inventories						
Prepaid items	875					
Total assets	$ 2,095,738	$ 474,615	$ 439,005	$ 10,558	$ 357,734	$ 306,959
LIABILITIES						
Accounts payable	$ 167,442	$ 750	$	$	$ 29,675	$ 320
Retainage payable	8,696					
Deposits payable					75,000	
Total liabilities	176,138	750	-	-	104,675	320
FUND BALANCES						
Nonspendable						
Inventory						
Prepaid items	875					
Restricted for						
Landfill closure/postclosure						
Promotion of tourism	1,918,725					
Purpose of grantors, trustees, and donors			439,005	10,558		
Economic development					253,059	
Law enforcement		473,865				306,639
Fire training operations						
Total fund balances	1,919,600	473,865	439,005	10,558	253,059	306,639
Total liabilities, deferred inflows of resources, and fund balances	$ 2,095,738	$ 474,615	$ 439,005	$ 10,558	$ 357,734	$ 306,959

Nonmajor Special Revenue Funds					
Landfill Closure/ Postclosure	Joint Fire Training	PEG Access Channel	Farmers Branch Local Gov't Corporation	Residential Revitalization Bond	Total Nonmajor Special Revenue Funds
$ 4,047,932	$ 32,394	$ 253,764	$ 40,683	$ 74,023	$ 7,730,142
		12,598			407,756
4,262	77	389		-	11,958
				1,718,800	1,718,800
					875
$ 4,052,194	$ 32,471	$ 266,751	$ 40,683	$ 1,792,823	$ 9,869,531
$ 107,342	$ 5,893	$	$	$ 28	$ 311,450
4,960					13,656
					75,000
112,302	5,893	-	-	28	400,106
				1,718,800	1,718,800
					875
3,939,892					3,939,892
					1,918,725
		266,751	40,683		756,997
				73,995	327,054
					780,504
	26,578				26,578
3,939,892	26,578	266,751	40,683	1,792,795	9,469,425
$ 4,052,194	$ 32,471	$ 266,751	$ 40,683	$ 1,792,823	$ 9,869,531

CITY OF FARMERS BRANCH, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2022

	Nonmajor Capital Projects Fund					
	Non-Bond	Hotel/ Motel	Street Improvement Bond	Fire Station #2/ Landfill Bond	Radio System Bond	Consolidated Dispatch Bond
ASSETS						
Cash, cash equivalents, and investments	$ 8,823,860	$ 1,240,801	$ 1,455,829	$ 701,330	$ 41,638	$ 274,561
Receivables (net of allowance for uncollectibles)	7,503					
Accrued interest and other	11,326	239	2,724	1,469	270	462
Total assets	$ 8,842,689	$ 1,241,040	$ 1,458,553	$ 702,799	$ 41,908	$ 275,023
LIABILITIES						
Accounts payable	$ 95,237	$	$ 83,119	$ 532,913	$ 44,678	$
Retainage payable	41,396		30,030			
Deposits payable	146,906					171,428
Total liabilities	283,539	-	113,149	532,913	44,678	171,428
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	7,503					
Total deferred inflows of resources	7,503	-	-	-	-	-
FUND BALANCES						
Restricted for						
Construction of capital assets		1,241,040	1,345,404	169,886		103,595
Assigned to						
Construction of capital assets	8,551,647	-	-			
Unassigned	-	-	-	-	(2,770)	-
Total fund balances	8,551,647	1,241,040	1,345,404	169,886	(2,770)	103,595
Total liabilities, deferred inflows of resources, and fund balances	$ 8,842,689	$ 1,241,040	$ 1,458,553	$ 702,799	$ 41,908	$ 275,023

Nonmajor Capital Projects Fund			
Pike Street/ Station Area Improvement Bond	TIF District No. 2	Trails & Sidewalks Bond	Total Nonmajor Capital Projects Funds
$ 3,567,168	$ 2,995,162	$ 5,268,287	$ 24,368,636
			7,503
6,204	4,960	10,050	37,704
$ 3,573,372	$ 3,000,122	$ 5,278,337	$ 24,413,843
$	$	$ 172,419	$ 928,366
		76,121	147,547
			318,334
-	-	248,540	1,394,247
			7,503
-	-	-	7,503
3,573,372	3,000,122	5,029,797	14,463,216
	-	-	8,551,647
-	-	-	(2,770)
3,573,372	3,000,122	5,029,797	23,012,093
$ 3,573,372	$ 3,000,122	$ 5,278,337	$ 24,413,843

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CITY OF FARMERS BRANCH, TEXAS

EXHIBIT F-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - SUMMARY
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Sales and use taxes	$ 485,300	$	$ 485,300
Hotel/motel taxes	2,913,839		2,913,839
Franchise taxes	52,511		52,511
Tax increment financing	698,684	161,380	860,064
Charges for services	1,111,080		1,111,080
Fines and forfeitures	76,298		76,298
Investment income (loss)	(194,688)	(395,804)	(590,492)
Intergovernmental	91,830	363,527	455,357
Miscellaneous	273,081		273,081
Total revenues	5,507,935	129,103	5,637,038
EXPENDITURES			
Current			
General government	1,372,432		1,372,432
Public safety	245,386	178,000	423,386
Public works	452,477		452,477
Culture and recreation	1,707,781		1,707,781
Debt Service			
Capital outlay	11,001	5,295,253	5,306,254
Total expenditures	3,789,077	5,473,253	9,262,330
Excess (deficiency) of revenues over (under) expenditures	1,718,858	(5,344,150)	(3,625,292)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,814,700	8,025,000	9,839,700
Transfers out	(1,488,000)	(300,000)	(1,788,000)
Total other financing sources (uses)	326,700	7,725,000	8,051,700
Net change in fund balances	2,045,558	2,380,850	4,426,408
Fund balances - beginning	7,423,867	20,631,243	28,055,110
Fund balances - ending	$ 9,469,425	$ 23,012,093	$ 32,481,518

CITY OF FARMERS BRANCH, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Nonmajor Special Revenue Funds					
	Hotel Motel	Police Forfeitures	Donations	Cemetery	Tax Increment Reinvestment Zone No 3	Municipal Court Fees
REVENUES						
Sales and use taxes	$	$	$	$	$	$
Hotel/motel taxes	2,913,839					
Franchise taxes						
Tax increment financing					698,684	
Charges for services	111,080					
Fines and forfeitures		7,450				68,848
Investment income (loss)	(111,909)	(6,017)	(7,625)	(178)	(16,712)	(2,914)
Intergovernmental						
Miscellaneous	152,092		29,608	1,200	90,181	
Total revenues	3,065,102	1,433	21,983	1,022	772,153	65,934
EXPENDITURES						
General government					788,866	8,336
Public safety		7,873	7,214			153,587
Public works						
Culture and recreation	1,701,421		6,360			
Capital outlay	11,001					
Total expenditures	1,712,422	7,873	13,574	-	788,866	161,923
Excess (deficiency) of revenues over (under) expenditures	1,352,680	(6,440)	8,409	1,022	(16,713)	(95,989)
OTHER FINANCING SOURCES (USES)						
Transfers in	-					
Transfers out	(1,488,000)					
Total other financing sources (uses)	(1,488,000)	-	-	-	-	-
Net change in fund balances	(135,320)	(6,440)	8,409	1,022	(16,713)	(95,989)
Fund balances - beginning	2,054,920	480,305	430,596	9,536	269,772	402,628
Fund balances - ending	$ 1,919,600	$ 473,865	$ 439,005	$ 10,558	$ 253,059	$ 306,639

Nonmajor Special Revenue Funds					
Landfill Closure Postclosure	Joint Fire Training	PEG Access Channel	Farmers Branch Local Gov't Corporation	Residential Revitalization Bond	Total Nonmajor Special Revenue Funds
$	$	$	$	$ 485,300	$ 485,300
					2,913,839
		52,511			52,511
					698,684
1,000,000					1,111,080
					76,298
(44,740)	(807)	(4,083)		297	(194,688)
	91,830				91,830
					273,081
955,260	91,023	48,428	-	485,597	5,507,935
		920		574,310	1,372,432
	76,712				245,386
452,477					452,477
					1,707,781
					11,001
452,477	76,712	920	-	574,310	3,789,077
502,783	14,311	47,508	-	(88,713)	1,718,858
1,300,000				514,700	1,814,700
					(1,488,000)
1,300,000	-	-	-	514,700	326,700
1,802,783	14,311	47,508	-	425,987	2,045,558
2,137,109	12,267	219,243	40,683	1,366,808	7,423,867
$ 3,939,892	$ 26,578	$ 266,751	$ 40,683	$ 1,792,795	$ 9,469,425

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT F-2B

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Nonmajor Capital Projects Funds									
	Non-Bond	Hotel/ Motel	Street Improvement Bond	Fire Station #2/ Landfill Bond	Radio System Bond	Consolidated Dispatch Bond	Pike Street / Station Area Improvement Bond	TIF District No. 2	Trails & Sidewalks Bond	Total Nonmajor Capital Projects Funds
REVENUES										
Tax increment financing	$	$	$	$	$	$	$	$ 161,380	$	$ 161,380
Investment income (loss)	(118,899)	(2,511)	(28,563)	(15,454)	(2,831)	(4,854)	(65,128)	(52,066)	(105,498)	(395,804)
Intergovernmental	363,527									363,527
Total revenues	244,628	(2,511)	(28,563)	(15,454)	(2,831)	(4,854)	(65,128)	109,314	(105,498)	129,103
EXPENDITURES										
Current										
Public safety					178,000					178,000
Debt service										
Capital outlay	1,927,596	8,000	569,993	824,977			468,186	39,239	1,457,262	5,295,253
Total expenditures	1,927,596	8,000	569,993	824,977	178,000	-	468,186	39,239	1,457,262	5,473,253
Excess (deficiency) of revenues over (under) expenditures	(1,682,968)	(10,511)	(598,556)	(840,431)	(180,831)	(4,854)	(533,314)	70,075	(1,562,760)	(5,344,150)
OTHER FINANCING SOURCES (USES)										
Transfers in	6,825,000	1,200,000								8,025,000
Transfers out	-			(300,000)						(300,000)
Total other financing sources (uses)	6,825,000	1,200,000	-	(300,000)	-	-	-	-	-	7,725,000
Net change in fund balances	5,142,032	1,189,489	(598,556)	(1,140,431)	(180,831)	(4,854)	(533,314)	70,075	(1,562,760)	2,380,850
Fund balances - beginning	3,409,615	51,551	1,943,960	1,310,317	178,061	108,449	4,106,686	2,930,047	6,592,557	20,631,243
Fund balances - ending	$ 8,551,647	$ 1,241,040	$ 1,345,404	$ 169,886	$ (2,770)	$ 103,595	$ 3,573,372	$ 3,000,122	$ 5,029,797	$ 23,012,093

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

Nonmajor Special Revenue Funds and Debt Service Fund

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT G-1A

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOTEL/MOTEL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Revised Budget	Actual Budget Basis	Variance
REVENUES			
Hotel/motel taxes	$ 2,640,000	$ 2,913,839	$ 273,839
Charges for services	111,400	111,080	(320)
Investment income (loss)	47,000	(111,909)	(158,909)
Miscellaneous	152,000	152,092	92
Total revenues	2,950,400	3,065,102	114,702
EXPENDITURES			
Culture and recreation	2,101,848	1,701,421	400,427
Capital outlay	-	11,001	(11,001)
Total expenditures	2,101,848	1,712,422	389,426
Excess (deficiency) of revenues over (under) expendtiures	848,552	1,352,680	504,128
OTHER FINANCING SOURCES (USES)			
Transfers in	14,600	-	(14,600)
Transfers out	(1,502,600)	(1,488,000)	14,600
Total other financing sources (uses)	(1,488,000)	(1,488,000)	-
Net change in fund balances	(639,448)	(135,320)	504,128
Fund balances - beginning	2,054,920	2,054,920	-
Fund balances - ending	$ 1,415,472	$ 1,919,600	$ 504,128

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT G-1B

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
POLICE FORFEITURES FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Revised Budget	Actual Budget Basis	Variance
REVENUES			
Fines and forfeitures	$ 1,000	$ 7,450	$ 6,450
Investment income (loss)	3,100	(6,017)	(9,117)
Total revenues	4,100	1,433	(2,667)
EXPENDITURES			
Public safety	16,750	7,873	8,877
Total expenditures	16,750	7,873	8,877
Net change in fund balances	(12,650)	(6,440)	6,210
Fund balances - beginning	480,305	480,305	-
Fund balances - ending	$ 467,655	$ 473,865	$ 6,210

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT G-1C

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DONATIONS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Revised Budget	Actual Budget Basis	Variance
REVENUES			
Investment income (loss)	$ 3,000	$ (7,625)	$ (10,625)
Miscellaneous	26,000	29,608	3,608
Total revenues	29,000	21,983	(7,017)
EXPENDITURES			
General government	1,900	-	1,900
Public safety	10,030	7,214	2,816
Public works	15,675	-	15,675
Culture and recreation	7,900	6,360	1,540
Total expenditures	35,505	13,574	21,931
Net change in fund balances	(6,505)	8,409	14,914
Fund balances - beginning	430,596	430,596	-
Fund balances - ending	$ 424,091	$ 439,005	$ 14,914

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT G-1D

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CEMETERY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Revised Budget	Actual Budget Basis	Variance
REVENUES			
Investment income (loss)	$ 200	$ (178)	$ (378)
Miscellaneous	1,200	1,200	-
Total revenues	1,400	1,022	(378)
Net change in fund balances	1,400	1,022	(378)
Fund balances - beginning	9,536	9,536	-
Fund balances - ending	$ 10,936	$ 10,558	$ (378)

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT G-1E

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TAX INCREMENT REINVESTMENT ZONE NO. 3
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Revised Budget	Actual Budget Basis	Variance
REVENUES			
Tax increment financing	$ 698,700	$ 698,684	$ (16)
Investment income (loss)	8,000	(16,712)	(24,712)
Miscellaneous	84,900	90,181	5,281
Total revenues	791,600	772,153	(19,447)
EXPENDITURES			
General government	783,600	788,866	(5,266)
Total expenditures	783,600	788,866	(5,266)
Net change in fund balances	8,000	(16,713)	(24,713)
Fund balances - beginning	269,772	269,772	-
Fund balances - ending	$ 277,772	$ 253,059	$ (24,713)

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT G-1F

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MUNICIPAL COURT FEES FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Revised Budget	Actual Budget Basis	Variance
REVENUES			
Fines and forfeitures	$ 62,700	$ 68,848	$ 6,148
Investment income (loss)	1,100	(2,914)	(4,014)
Total revenues	63,800	65,934	2,134
EXPENDITURES			
General government	8,400	8,336	64
Public safety	153,587	153,587	-
Total expenditures	161,987	161,923	64
Net change in fund balances	(98,187)	(95,989)	2,198
Fund balances - beginning	402,628	402,628	-
Fund balances - ending	$ 304,441	$ 306,639	$ 2,198

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT G1-G

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LANDFILL CLOSURE/POSTCLOSURE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Revised Budget	Actual Budget Basis	Variance
REVENUES			
Charges for services	$ 1,000,000	$ 1,000,000	$ -
Investment income (loss)	14,700	(44,740)	(59,440)
Total revenues	1,014,700	955,260	(59,440)
EXPENDITURES			
Public works	333,263	452,477	(119,214)
Total expenditures	333,263	452,477	(119,214)
Excess (deficiency) of revenues over (under) expendtiures	681,437	502,783	(178,654)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,600,000	1,300,000	(300,000)
Transfers out	(300,000)	-	300,000
Total other financing sources (uses)	1,300,000	1,300,000	-
Net change in fund balances	1,981,437	1,802,783	(178,654)
Fund balances - beginning	2,137,109	2,137,109	-
Fund balances - ending	$ 4,118,546	$ 3,939,892	$ (178,654)

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT G-1H

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
JOINT FIRE TRAINING FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Revised Budget	Actual Budget Basis	Variance
REVENUES			
Investment income (loss)	$ 400	$ (807)	$ (1,207)
Intergovernmental	100,600	91,830	(8,770)
Total revenues	101,000	91,023	(9,977)
EXPENDITURES			
Public safety	102,419	76,712	25,707
Total expenditures	102,419	76,712	25,707
Net change in fund balances	(1,419)	14,311	15,730
Fund balances - beginning	12,267	12,267	-
Fund balances - ending	$ 10,848	$ 26,578	$ 15,730

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT G-1I

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PEG ACCESS CHANNEL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Revised Budget	Actual Budget Basis	Variance
REVENUES			
Franchise taxes	$ 54,000	$ 52,511	$ (1,489)
Investment income (loss)	2,000	(4,083)	(6,083)
Total revenues	56,000	48,428	(7,572)
EXPENDITURES			
General government	5,000	920	4,080
Total expenditures	5,000	920	4,080
Net change in fund balances	51,000	47,508	(3,492)
Fund balances - beginning	219,243	219,243	-
Fund balances - ending	$ 270,243	$ 266,751	$ (3,492)

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT G-1J

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
RESIDENTIAL REVITALIZATION BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Revised Budget	Actual Budget Basis	Variance
REVENUES			
Property taxes	$ 514,700	$ -	$ (514,700)
Sales and use taxes	485,300	485,300	-
Investment income (loss)	-	297	297
Total revenues	1,000,000	485,597	(514,403)
EXPENDITURES			
General government	40,325	574,310	(533,985)
Total expenditures	40,325	574,310	(533,985)
Excess (deficiency) of revenues over (under) expendtiures	959,675	(88,713)	(1,048,388)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	514,700	514,700
Total other financing sources (uses)	-	514,700	514,700
Net change in fund balances	959,675	425,987	(533,688)
Fund balances - beginning	1,366,808	1,366,808	-
Fund balances - ending	$ 2,326,483	$ 1,792,795	$ (533,688)

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT G-2

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Revised Budget	Actual Budget Basis	Variance
REVENUES			
Property taxes	$ 4,218,800	$ 4,428,158	$ 209,358
Investment income (loss)	600,000	607,039	7,039
Total revenues	4,818,800	5,035,197	216,397
EXPENDITURES			
Principal retirement	4,630,000	4,630,000	-
Interest and fiscal agent charges	1,842,000	1,829,383	12,617
Total expenditures	6,472,000	6,459,383	12,617
Net Change in Fund Balances	(1,653,200)	(1,424,186)	229,014
Fund balances - beginning	3,976,972	3,976,972	-
Fund balances - ending	$ 2,323,772	$ 2,552,786	$ 229,014

COMBINING FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

The Internal Service Funds account for the financing services provided by one department to other departments of the City on a cost reimbursement basis. The following is a description of the City's Internal Service Funds:

Fleet & Facilities Management Fund - to account for materials and supplies provided exclusively to other funds and departments of the City.

Workers' Compensation Fund - to account for the City's workers' compensation self-insurance program.

Health Claims Fund – to account for the City's group health self-insurance program for employees, retirees, and their immediate families.

CITY OF FARMERS BRANCH, TEXAS

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2022

EXHIBIT H-1

	Fleet & Facilities Management	Workers' Compensation	Health Claims	Total
ASSETS				
Current assets:				
Cash, cash equivalents, and investments	$ 1,606,290	$ 1,278,298	$ 2,060,193	$ 4,944,781
Receivables (net of allowance for uncollectibles)		1,942	3,967	5,909
Inventories	16,532			16,532
Prepaid items	5,063			5,063
Deposits		35,000		35,000
Total current assets	1,627,885	1,315,240	2,064,160	5,007,285
Noncurrent assets				
Capital and lease assets				
Nondepreciable	8,170			8,170
Depreciable, net of accumulated depreciation/amortization	7,575,218			7,575,218
Total noncurrent assets	7,583,388	-	-	7,583,388
Total assets	9,211,273	1,315,240	2,064,160	12,590,673
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pension	222,208			222,208
Deferred outflows from OPEB	32,687			32,687
Total deferred outflows of resources	254,895	-	-	254,895
LIABILITIES				
Current liabilities				
Accounts payable and other accrued liabilities	168,856	99,523	581	268,960
Compensated absences current	32,722			32,722
Claims payable		164,117	551,849	715,966
Total current liabilities	201,578	263,640	552,430	1,017,648
Noncurrent liabilities				
Compensated absences long term	90,220			90,220
Claims payable long term		123,808		123,808
Net pension liability	212,519			212,519
Total OPEB liability	231,124			231,124
Total noncurrent liabilities	533,863	123,808	-	657,671
Total liabilities	735,441	387,448	552,430	1,675,319
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pension	495,878			495,878
Deferred inflows from OPEB	8,421			8,421
Total deferred inflows of resources	504,299	-	-	504,299
NET POSITION				
Net investment in capital assets	7,583,388			7,583,388
Unrestricted	643,040	927,792	1,511,730	3,082,562
Total net position	$ 8,226,428	$ 927,792	$ 1,511,730	$ 10,665,950

CITY OF FARMERS BRANCH, TEXAS

EXHIBIT H-2

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Fleet & Facilities Management	Workers' Compensation	Health Claims	Total
Operating Revenues				
Charges for services	$ 5,575,304	$ 324,500	$	$ 5,899,804
Contributions and miscellaneous		62,261	4,203,062	4,265,323
Total operating revenues	5,575,304	386,761	4,203,062	10,165,127
Operating Expenses				
Personal services	971,458			971,458
Materials and supplies	2,045,467			2,045,467
Maintenance and utilities	2,334,632	4,000		2,338,632
Insurance claims and expenses		206,171	4,738,610	4,944,781
Depreciation	247,445			247,445
Total operating expenses	5,599,002	210,171	4,738,610	10,547,783
Operating Income (Loss)	(23,698)	176,590	(535,548)	(382,656)
Transfers in	110,408	-	130,000	240,408
Change in net position	86,710	176,590	(405,548)	(142,248)
Net Position, Beginning of Year	8,139,718	751,202	1,917,278	10,808,198
Net Position, End of Year	$ 8,226,428	$ 927,792	$ 1,511,730	$ 10,665,950

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Fleet & Facilities Management	Workers' Compensation	Health Claims	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	$ 5,575,304	$ 404,389	$ 4,455,812	10,435,505
Payments to suppliers	(4,544,294)	-	-	(4,544,294)
Payments to employees	(1,204,846)	-	-	(1,204,846)
Payments for claims		(403,961)	(4,666,093)	(5,070,054)
Net cash provided by (used for) operating activities	(173,836)	428	(210,281)	(383,689)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	-	-	130,000	130,000
Net cash provided by noncapital financing activities	-	-	130,000	130,000
Net increase (decrease) in cash and cash equivalents	(173,836)	428	(80,281)	(253,689)
Cash and cash equivalents - beginning of year	1,780,126	1,277,870	2,140,474	5,198,470
Cash and cash equivalents - end of year	$ 1,606,290	$ 1,278,298	$ 2,060,193	$ 4,944,781
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer of capital assets between funds	$ 110,408	$ -	$ -	$ 110,408
	$ 110,408	$ -	$ -	$ 110,408
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ (23,698)	$ 176,590	$ (535,548)	$ (382,656)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	247,445	-	-	247,445
(Increase)/Decrease in				
Receivables	-	17,628	252,749	270,377
Inventories	19,111	-	-	19,111
Prepaid items	(188)	-	-	(188)
Deferred outflows of resources - pension	(99,338)	-	-	(99,338)
Deferred outflows of resources - OPEB	3,945	-	-	3,945
Increase/(Decrease) in				
Accounts payable and accrued in accrued liabilities	(215,014)	10,896	(11,171)	(215,289)
Claims payable	-	(204,686)	83,689	(120,997)
Net Pension liability	(389,604)	-	-	(389,604)
OPEB liability	(12,189)	-	-	(12,189)
Deferred inflows of resources - pension	276,299	-	-	276,299
Deferred inflows of resources - OPEB	(4,439)	-	-	(4,439)
Compensated absences	23,834	-	-	23,834
Net cash provided by (used for) operating activities	$ (173,836)	$ 428	$ (210,281)	$ (383,689)

STATISTICAL SECTION
(Unaudited)

The City of Farmers Branch's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

		Page
Financial Trends	These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	90 - 97
Revenue Capacity	These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	98 - 103
Debt Capacity	These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	104 - 106
Demographic & Economic Indicators	These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	107 - 108
Operating Information	These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	109 - 114

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF FARMERS BRANCH, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(UNAUDITED)

	Fiscal Year				
	2013	2014	2015 (1)	2016	2017
Governmental activities:					
Net investment in capital assets	$ 100,736,048	$ 97,650,889	$ 98,590,058	$ 98,496,787	$ 102,598,166
Restricted	3,593,339	4,792,147	6,147,754	7,152,723	5,347,455
Unrestricted	(16,136,740)	(16,653,141)	(31,206,669)	(32,114,251)	(24,589,681)
Total governmental activities net position	$ 88,192,647	$ 85,789,895	$ 73,531,143	$ 73,535,259	$ 83,355,940
Business-type activities:					
Net investment in capital assets	$ 40,637,368	$ 40,410,276	$ 42,443,950	$ 41,529,619	$ 40,158,599
Unrestricted	13,945,376	11,487,795	9,076,311	10,471,923	12,805,807
Total business-type activities net position	$ 54,582,744	$ 51,898,071	$ 51,520,261	$ 52,001,542	$ 52,964,406
Primary government:					
Net investment in capital assets	$ 141,373,416	$ 138,061,165	$ 141,034,008	$ 140,026,406	$ 142,756,765
Restricted	3,593,339	4,792,147	6,147,754	7,152,723	5,347,455
Unrestricted	(2,191,364)	(5,165,346)	(22,130,358)	(21,642,328)	(11,783,874)
Total governmental activities net position	$ 142,775,391	$ 137,687,966	$ 125,051,404	$ 125,536,801	$ 136,320,346

Notes:

(1) The fiscal year 2015 governmental activities were restated with implementation of GASB Statements 68 & 71 to record a beginning net pension liability and deferred outflow of resources for contributions made between the measurement date and fiscal year end.

(2The fiscal year 2018 governmental activities were restated with implementation of GASB Statement 75 to record a beginning net OPEB liability and deferred outflow of resources for contributions made between the measurement date and fiscal year end.

Fiscal Year				
2018 (2)	2019	2020	2021	2022
$ 111,614,735	$ 120,256,477	$ 140,767,184	$ 148,809,910	$ 142,607,256
5,004,542	8,793,762	9,407,269	13,515,575	10,521,379
(23,365,364)	(20,684,259)	(11,806,042)	(5,539,781)	23,156,960
$ 93,253,913	$ 108,365,980	$ 138,368,411	$ 156,785,704	$ 176,285,595
$ 44,369,653	$ 50,795,139	$ 52,383,379	$ 54,928,229	$ 62,163,819
15,252,063	18,940,131	18,701,549	23,584,767	26,181,830
$ 59,621,716	$ 69,735,270	$ 71,084,928	$ 78,512,996	$ 88,345,649
$ 155,984,388	$ 171,051,616	$ 193,150,563	$ 203,738,139	$ 204,771,075
5,004,542	8,793,762	9,407,269	13,515,575	10,521,379
(8,113,301)	(1,744,128)	6,895,507	18,044,986	49,338,790
$ 152,875,629	$ 178,101,250	$ 209,453,339	$ 235,298,700	$ 264,631,244

CITY OF FARMERS BRANCH, TEXAS

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(UNAUDITED)

	Fiscal Year					
	2013	2014	2015 (1)	2016	2017	2018 (2)
Expenses						
Governmental activities:						
General government	$ 10,914,452	$ 13,133,503	$ 12,623,901	$ 14,578,536	$ 16,573,789	$ 16,174,829
Public safety	22,772,965	22,147,916	22,025,873	25,223,791	26,982,151	25,966,603
Public works	8,875,224	11,683,321	9,414,374	9,262,380	304,447	12,433,845
Culture and recreation	12,739,313	11,820,723	12,588,417	14,084,036	14,415,728	13,864,483
Principal retirement						
Interest on long term debt	1,887,714	2,141,082	2,344,088	2,359,900	2,217,026	2,812,608
Unallocated depreciation	126,464	126,464	126,464	273,962	277,305	272,867
Total governmental activities expenses	57,316,132	61,053,009	59,123,117	65,782,605	60,770,446	71,525,235
Business-type activities:						
Water and sewer	12,249,982	12,393,782	13,095,850	15,187,138	16,086,557	17,132,596
Stormwater utility			570,356	274,895	647,624	284,185
Total busines-type activities expenses	12,249,982	12,393,782	13,666,206	15,462,033	16,734,181	17,416,781
Total primary government expenses	$ 69,566,114	$ 73,446,791	$ 72,789,323	$ 81,244,638	$ 77,504,627	$ 88,942,016
Program Revenues						
Governmental activities:						
Charges for services						
Public safety	$ 4,283,496	$ 4,379,539	$ 4,441,054	$ 4,694,946	$ 4,734,932	$ 4,254,309
Public works	2,254,323	2,279,435	2,287,633	2,481,706	2,651,878	3,342,887
Other	2,386,019	2,081,908	3,346,842	2,952,599	3,581,692	6,900,369
Operating grants and contributions	781,993	552,131	335,647	349,473	600,602	719,367
Capital grants and contributions	303,998	98,600	401,271	253,844	560,197	6,471,947
Total governmental activities program revenues	10,009,829	9,391,613	10,812,447	10,732,568	12,129,301	21,688,879
Business-type activities:						
Charges for services	14,194,339	14,576,404	17,746,563	20,083,136	21,271,417	25,155,472
Capital grants and contributions		290,890	3,800			3,368,829
Total business-type activities program revenues	14,194,339	14,867,294	17,750,363	20,083,136	21,271,417	28,524,301
Total primary government program revenues	$ 24,204,168	$ 24,258,907	$ 28,562,810	$ 30,815,704	$ 33,400,718	$ 50,213,180
Net (Expense)/Revenue						
Governmental activities	$ (47,306,303)	$ (51,661,396)	$ (48,310,670)	$ (55,050,037)	$ (48,641,145)	$ (49,836,356)
Business-type activities	1,944,357	2,473,512	4,084,157	4,621,103	4,537,236	11,107,520
Total primary government net expense	$ (45,361,946)	$ (49,187,884)	$ (44,226,513)	$ (50,428,934)	$ (44,103,909)	$ (38,728,836)
General Revenues and Other Changes in Net Position						
Governmental activities:						
Taxes						
Property taxes, levied for general purposes	$ 17,707,657	$ 18,886,710	$ 20,727,595	$ 22,191,443	$ 24,509,410	$ 25,617,820
Property taxes, levied for debt service	1,284,446	2,075,008	3,903,953	3,926,612	4,291,764	4,309,918
Sales and use taxes	13,689,917	13,430,485	13,363,544	13,639,841	13,936,336	14,618,441
Other taxes	7,471,449	7,724,433	8,508,637	9,457,598	10,600,730	12,032,639
Investment income	1,386,221	1,872,535	1,591,991	1,664,659	1,447,475	1,787,154
Gain on extinguishment of debt						
Gain on sale/retirement of capital assets and insurance recoveries	4,862	36,873	124,938		59,927	17,136
Grants not restricted to a specific purpose						
Transfers	3,073,500	5,232,600	3,469,420	4,174,000	3,616,184	4,227,900
Total governmental activities	44,618,052	49,258,644	51,690,078	55,054,153	58,401,899	62,611,008
Business-type activities:						
Investment income	20,563	17,915	21,560	34,178	41,812	103,609
Gain on sale/retirement of capital assets	(46,610)	56,500				
Transfers	(3,073,500)	(5,232,600)	(3,469,420)	(4,174,000)	(3,616,184)	(4,227,900)
Total business-type activities	(3,099,547)	(5,158,185)	(3,447,860)	(4,139,822)	(3,574,372)	(4,124,291)
Total primary government	$ 41,518,505	$ 44,100,459	$ 48,242,218	$ 50,914,331	$ 54,827,527	$ 58,486,717
Change in Net Position						
Governmental activities	$ (2,688,251)	$ (2,402,752)	$ 3,379,408	$ 4,116	$ 9,760,754	$ 12,774,652
Business-type activities	(1,155,190)	(2,684,673)	636,297	481,281	962,864	6,983,229
Total primary government	$ (3,843,441)	$ (5,087,425)	$ 4,015,705	$ 485,397	$ 10,723,618	$ 19,757,881

Notes:

(1) The fiscal year 2015 governmental activities were restated with implementation of GASB 68 & 71 to record a beginning net pension liability and deferred outflow of resources for contributions made between the measurement date and fiscal year end.

(2) The fiscal year 2018 governmental activities were restated with implementation of GASB 75 to record a beginning net OPEB liability and deferred outflow of resources for contributions made between the measurement date and fiscal year end.

Fiscal Year			
2019	2020	2021	2022
$ 19,575,431	$ 21,181,076	$ 17,255,980	$ 20,254,045
29,155,722	29,902,691	26,422,950	24,240,573
13,841,348	12,899,719	14,984,662	14,182,657
15,349,830	14,243,692	13,626,946	16,005,075
			417,521
3,474,315	1,823,611	1,527,200	2,064,562
246,659	185,799	145,929	466,577
81,643,305	80,236,588	73,963,667	77,631,010
16,513,832	16,026,496	17,324,414	17,959,957
1,509,879	1,693,104	1,009,125	386,898
18,023,711	17,719,600	18,333,539	18,346,855
$ 99,667,016	$ 97,956,188	$ 92,297,206	$ 95,977,865
$ 4,659,728	$ 3,453,793	$ 4,152,796	$ 3,260,855
6,672,289	5,658,875	7,065,519	6,651,483
5,615,232	4,002,289	5,491,545	5,371,311
516,444	2,177,925	1,565,257	930,087
10,004,978	5,920,245	4,164,801	457,008
27,468,671	21,213,127	22,439,918	16,670,744
25,734,892	28,029,705	29,054,152	32,708,631
4,365,188	2,716,505	592,797	621,363
30,100,080	30,746,210	29,646,949	33,329,994
$ 57,568,751	$ 51,959,337	$ 52,086,867	$ 50,000,738
$ (54,174,634)	$ (59,023,461)	$ (51,523,749)	$ (60,960,266)
12,076,369	13,026,610	11,313,410	14,983,139
$ (42,098,265)	$ (45,996,851)	$ (40,210,339)	$ (45,977,127)
$ 27,431,177	$ 30,636,546	$ 34,131,625	$ 36,920,934
4,584,944	4,443,207	4,973,900	4,414,339
17,410,323	17,164,707	18,737,374	24,413,463
14,617,755	10,181,063	7,125,294	7,629,919
2,935,658	2,393,143	1,031,746	(353,710)
	9,979,973	-	
35,918	2,280,136	41,584	149,346
			2,546,527
2,270,926	11,947,117	3,899,519	4,739,339
69,286,701	89,025,892	69,941,042	80,460,157
308,111	270,165	7,656	(411,147)
		6,521	-
(2,270,926)	(11,947,117)	(3,899,519)	(4,739,339)
(1,962,815)	(11,676,952)	(3,885,342)	(5,150,486)
$ 67,323,886	$ 77,348,940	$ 66,055,700	$ 75,309,671
$ 15,112,067	$ 30,002,431	$ 18,417,293	$ 19,499,891
10,113,554	1,349,658	7,428,068	9,832,653
$ 25,225,621	$ 31,352,089	$ 25,845,361	$ 29,332,544

CITY OF FARMERS BRANCH, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(UNAUDITED)

	Fiscal Year					
	2013	2014	2015	2016	2017	2018
General Fund						
Nonspendable	$ 53,954	$ 69,257	$ 132,756	$ 448,649	$ 517,318	$ 410,007
Assigned	3,011,161	3,731,449	4,676,363	4,182,793	3,629,261	5,244,119
Unassigned	8,942,763	7,538,450	7,907,059	8,257,163	10,183,899	14,421,939
Total general fund	$ 12,007,878	$ 11,339,156	$ 12,716,178	$ 12,888,605	$ 14,330,478	$ 20,076,065
All Other Governmental Funds						
Nonspendable	$ 5,625	$ 5,703	$ 5,647	$ 1,178,410	$ 813	$ 24,488
Restricted	22,579,131	33,062,581	22,883,726	19,182,416	15,144,319	33,841,817
Assigned	442,101	510,988	990,659	1,842,960	2,398,480	3,250,792
Unassigned						
Total all other governmental funds	$ 23,026,857	$ 33,579,272	$ 23,880,032	$ 22,203,786	$ 17,543,612	$ 37,117,097

Fiscal Year			
2019	2020	2021	2022
$ 2,737,891	$ 3,548,208	$ 3,517,846	$ 3,069,861
3,126,224	3,307,524	4,477,605	10,206,486
17,828,976	16,720,978	22,030,886	23,040,864
$ 23,693,091	$ 23,576,710	$ 30,026,337	$ 36,317,211
$ 938	$ 704,863	$ 1,300,176	$ 1,719,675
27,285,503	31,040,799	27,327,233	48,193,026
3,370,932	4,929,935	3,409,615	8,551,647
			(2,770)
$ 30,657,373	$ 36,675,597	$ 32,037,024	$ 58,461,578

CITY OF FARMERS BRANCH, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(UNAUDITED)

	Fiscal Year					
	2013	2014	2015	2016	2017	2018
REVENUES						
Property taxes	$ 19,200,726	$ 21,083,842	$ 24,536,084	$ 26,330,398	$ 28,416,586	$ 30,016,868
Sales and use taxes	13,689,917	13,430,485	13,363,544	13,639,841	13,936,336	14,618,441
Hotel/motel taxes	2,253,459	2,396,399	2,728,631	2,959,667	2,892,655	2,849,666
Franchise taxes	4,419,509	4,495,241	4,411,259	4,309,598	4,255,212	4,207,394
Tax increment financing	910,899	1,007,993	1,289,826	2,236,280	3,481,586	4,949,033
Licenses and permits	1,015,017	930,443	1,680,095	1,427,801	2,024,453	5,016,007
Charges for services	4,539,757	4,522,186	5,001,160	5,407,761	5,487,380	6,280,213
Fines and forfeitures	3,070,412	3,090,300	3,034,885	3,125,094	3,176,432	2,737,338
Special assessments	9,806	7,585	4,496	1,152		276
Investment income	1,342,026	1,360,409	1,591,991	1,651,645	1,447,475	1,787,154
Intergovernmental	569,703	569,418	584,312	503,153	676,535	327,232
Miscellaneous	640,342	171,238	279,221	194,356	744,394	623,672
Total revenues	51,661,573	53,065,539	58,505,504	61,786,746	66,539,044	73,413,294
EXPENDITURES						
General government	11,098,357	12,996,563	12,880,704	13,447,135	14,173,367	13,541,524
Public safety	22,389,057	22,655,239	23,117,436	24,353,622	25,600,823	25,364,483
Public works	6,286,480	7,204,534	7,145,553	7,378,781	8,458,117	9,298,814
Culture and recreation	12,111,397	11,092,198	11,746,205	12,923,543	12,997,256	13,029,696
Debt service:						
Principal retirement	2,000,000	2,596,859	3,450,000	3,930,000	4,605,000	5,481,000
Interest and fiscal agent charges	752,555	997,079	1,531,742	1,437,739	1,380,656	1,256,017
Issuance costs	182,333	223,842		96,628		429,311
Loss due to decline in market value						
Capital outlay	1,862,907	7,496,911	11,716,646	7,269,438	7,588,292	10,955,111
Total expenditures	56,683,086	65,263,225	71,588,286	70,836,886	74,803,511	79,355,956
Deficiency of revenues under expenditures	(5,021,513)	(12,197,686)	(13,082,782)	(9,050,140)	(8,264,467)	(5,942,662)
OTHER FINANCING SOURCES (USES)						
Transfers in	4,837,912	8,517,400	6,528,075	7,860,588	9,715,107	7,827,000
Transfers out	(1,764,412)	(3,284,800)	(2,477,275)	(3,095,788)	(4,984,107)	(3,129,100)
Certificates of obligation issued				2,545,000		10,515,000
General obligation refunding and improvement bonds issued	9,500,000	15,810,000				13,540,000
Premiums on debt issued	648,755	924,244		149,083		
Payment to refund bond escrow agent						1,337,311
Sale of capital assets/insurance recoveries	797,381	114,535	709,764	87,438	315,166	1,171,523
Total other financing sources	14,019,636	22,081,379	4,760,564	7,546,321	5,046,166	31,261,734
Net change in fund balances	8,998,123	9,883,693	(8,322,218)	(1,503,819)	(3,218,301)	25,319,072
Debt service as a percentage of noncapital expenditures	5.19%	6.09%	8.29%	8.65%	8.97%	9.90%

Fiscal Year			
2019	2020	2021	2022
$ 31,975,934	$ 34,907,228	$ 39,103,679	$ 41,399,866
17,410,323	17,164,707	18,737,374	24,413,463
3,115,374	1,794,067	1,683,018	2,913,839
4,132,975	3,939,882	3,877,037	3,856,016
7,351,606	4,513,776	1,557,120	860,064
3,712,038	2,883,283	3,810,089	2,700,392
8,710,341	8,432,009	9,961,389	10,810,063
2,787,243	1,709,922	1,731,794	1,235,780
829	-	166	-
2,935,658	2,393,143	1,031,796	(353,710)
510,454	2,482,704	2,266,930	3,546,738
1,116,009	546,467	1,350,204	351,968
83,758,784	80,767,188	85,110,596	91,734,479
15,695,223	20,340,488	17,608,739	17,723,764
26,304,729	29,457,949	28,611,977	29,640,456
9,833,782	10,230,771	11,292,346	10,019,759
13,993,554	12,902,268	15,497,781	14,258,499
6,081,028	4,120,000	4,300,000	4,699,556
3,060,568	4,597,248	2,039,374	1,857,848
	177,131	-	319,500
16,611,491	10,554,026	8,186,898	9,366,850
91,580,375	92,379,881	87,537,115	87,886,232
(7,821,591)	(11,612,693)	(2,426,519)	3,848,247
6,814,947	8,238,200	8,025,400	15,147,600
(3,673,047)	(4,163,700)	(4,045,881)	(10,257,700)
	12,305,000	-	23,810,000
	1,178,547	-	
	(3,290,921)	-	
1,836,993	3,247,410	258,054	167,281
4,978,893	17,514,536	4,237,573	28,867,181
(2,842,698)	5,901,843	1,811,054	32,715,428
11.87%	11.08%	8.59%	8.73%

CITY OF FARMERS BRANCH, TEXAS

ESTIMATED ACTUAL AND ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

	RESIDENTIAL PROPERTY			COMMERCIAL PROPERTY		
FISCAL YEAR	ESTIMATED ACTUAL VALUE	LESS: TAX EXEMPTIONS	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	LESS: TAX EXEMPTIONS	ASSESSED VALUE
2013	$ 1,161,499,680	$ 341,105,378	$ 820,394,302	$ 2,426,759,830	$ 480,107,916	$ 1,946,651,914
2014	1,172,509,100	339,997,399	832,511,701	2,500,245,200	425,834,837	2,074,410,363
2015	1,219,899,590	348,502,483	871,397,107	2,811,101,750	491,719,476	2,319,382,274
2016	1,282,165,920	358,024,345	924,141,575	3,043,315,820	498,804,477	2,544,511,343
2017	1,406,460,670	393,903,858	1,012,556,812	3,281,998,130	528,879,342	2,753,118,788
2018	1,552,573,710	442,604,793	1,109,968,917	3,423,020,660	512,810,029	2,910,210,631
2019	1,798,603,280	525,012,568	1,273,590,712	3,677,741,720	485,632,657	3,192,109,063
2020	2,008,956,470	551,238,764	1,457,717,706	4,103,048,110	521,046,781	3,582,001,329
2021	2,175,288,420	601,694,918	1,573,593,502	4,031,330,270	524,799,521	3,506,530,749
2022	2,464,002,060	614,135,636	1,849,866,424	4,487,428,100	544,619,638	3,942,808,462

Source: Dallas Central Appraisal District

Note: Property in the city is reassessed at least every three years. Property is assessed at actual value; therefore, the assessed values are equal to actual value less exemptions. Tax rates are per $100 of assessed value.

BUSINESS-PERSONAL PROPERTY			TOTAL			
ESTIMATED ACTUAL VALUE	LESS: TAX EXEMPTIONS	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	LESS: TAX EXEMPTIONS	ASSESSED VALUE	TOTAL DIRECT TAX RATE
$ 1,101,684,660	$ 180,498,255	$ 921,186,405	$ 4,689,944,170	$ 1,001,711,549	$ 3,688,232,621	$ 0.5295
1,151,040,340	212,570,787	938,469,553	4,823,794,640	978,403,023	3,845,391,617	0.5531
1,275,747,640	250,286,356	1,025,461,284	5,306,748,980	1,090,508,315	4,216,240,665	0.6023
1,454,961,470	384,016,188	1,070,945,282	5,780,443,210	1,240,845,010	4,539,598,200	0.6023
1,361,283,370	274,149,744	1,087,133,626	6,049,742,170	1,196,932,944	4,852,809,226	0.6023
1,305,089,180	223,283,131	1,081,806,049	6,280,683,550	1,178,697,953	5,101,985,597	0.6023
1,315,215,260	205,277,411	1,109,937,849	6,791,559,810	1,215,922,636	5,575,637,174	0.5995
1,366,077,570	192,257,572	1,173,819,998	7,478,082,150	1,264,543,117	6,213,539,033	0.5995
1,389,153,750	217,850,106	1,171,303,644	7,595,772,440	1,344,344,545	6,251,427,895	0.5890
1,351,735,470	193,071,601	1,158,663,869	8,303,165,630	1,351,826,875	6,951,338,755	0.5890

TABLE 6

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(PER $100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS
(UNAUDITED)

	CITY DIRECT RATES			OVERLAPPING RATES (1)					
FISCAL YEAR	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT (2)	CARROLLTON - FARMERS BRANCH I.S.D.	DALLAS I.S.D.	DALLAS COUNTY	DALLAS COUNTY HOSPITAL	DALLAS COUNTY COMMUNITY COLLEGE	TOTAL (3)
2013	$ 0.4935	$ 0.0360	$ 0.5295	$ 1.3306	$ 1.2903	$ 0.2530	$ 0.2710	$ 0.1194	$ 2.5035
2014	0.4987	0.0544	0.5531	1.3235	1.2821	0.2531	0.2760	0.1247	2.5304
2015	0.5076	0.0947	0.6023	1.3033	1.2821	0.2531	0.2860	0.1248	2.5695
2016	0.5139	0.0884	0.6023	1.2817	1.2821	0.2531	0.2860	0.1237	2.5468
2017	0.5153	0.0870	0.6023	1.3917	1.2821	0.2524	0.2794	0.1229	2.6487
2018	0.5177	0.0846	0.6023	1.3810	1.2821	0.2531	0.2794	0.1242	2.6400
2019	0.5167	0.0828	0.5995	1.3700	1.4120	0.2531	0.2794	0.1240	2.6260
2020	0.5273	0.0722	0.5995	1.2684	1.3104	0.2531	0.2695	0.1240	2.5145
2021	0.5062	0.0828	0.5890	1.2547	1.2967	0.2497	0.2661	0.1240	2.4835
2022	0.5272	0.0618	0.5890	1.2013	1.2482	0.2379	0.2550	0.1235	2.4067

Source: Dallas Central Appraisal District

Notes:

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Farmers Branch. Not all overlapping rates apply to all city property owners; for example, although the county property tax rates apply to all city property owners, the Dallas Independent School District (ISD) rates apply only to the approximately 29.3% of city property owners whose property is located within that district's geographic boundaries.

(2) The City's basic property tax rate may be increased only by a majority vote of the City Council up to the limits of State law, after which city residents may petition for a vote. Rates for debt service are set based on each year's debt requirements.

(3) Does not include Dallas ISD as school districts do not overlap each other.

TABLE 7

DIRECT AND OVERLAPPING PROPERTY TAX LEVIES
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	FARMERS BRANCH	CARROLLTON - FARMERS BRANCH I.S.D.	DALLAS I.S.D.	DALLAS COUNTY	DALLAS COUNTY HOSPITAL	DALLAS COUNTY COMMUNITY COLLEGE
2013	$ 19,529,192	$ 188,954,942	$ 984,164,209	$ 398,969,141	$ 427,773,967	$ 196,713,575
2014	21,268,861	198,050,007	1,026,191,861	415,485,244	453,602,530	214,160,553
2015	25,393,026	209,568,728	1,097,894,981	443,108,658	501,250,455	22,816,786
2016	27,340,502	218,964,725	1,185,157,319	476,309,394	540,475,266	243,935,893
2017	29,226,869	256,530,998	1,294,078,980	522,984,193	581,286,539	266,184,338
2018	30,727,576	274,637,780	1,390,841,756	561,435,880	622,295,974	284,192,691
2019	33,426,335	297,645,641	1,684,977,660	616,748,343	682,256,444	310,881,970
2020	37,250,601	290,346,785	1,681,891,083	662,939,267	707,168,061	334,408,023
2021	36,820,910	300,512,257	1,660,552,636	657,244,595	701,836,668	336,248,911
2022	40,943,385	310,466,506	1,771,311,390	693,018,753	746,379,733	369,888,806

Source:

Dallas Central Appraisal District with exception of Carrollton-Farmers Branch I.S.D. In 2009, Carrollton-Farmers Branch I.S.D. began reporting their own values since the district spans multiple counties and appraisal districts began reporting only their portion of an entity's value if the entity overlaps jurisdictions.

CITY OF FARMERS BRANCH, TEXAS

TABLE 8

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	2022			2013		
TAXPAYER	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE (a)	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE (b)
Dallas International Parkway	$ 147,198,530	1	2.12%			
JDFW LLC	140,425,000	2	2.02%			
WRIA 2017 2 LP	135,959,530	3	1.96%			
Southern Glazer's Wine and Spirits	108,884,190	4	1.57%			
Galleria Mall Inv LP	104,875,000	5	1.51%			
Royal Tx Partners LLC	103,500,000	6	1.49%			
UDR Canal I LLC	100,845,000	7	1.45%			
EOS Properties at Providence Towers	92,750,000	8	1.33%	$ 55,900,000	4	1.52%
Towers Jefferson Centura LLC	88,192,420	9	1.27%			
5005 LBJ Tower LLC	85,620,720	10	1.23%			
70 Washington Street LP				94,809,000	1	2.57%
AT&T Communications				75,571,140	2	2.05%
Occidental Chemical				66,594,290	3	1.81%
TCI Parkwest Inc				52,397,550	5	1.42%
Garden Centura LP				50,000,000	6	1.36%
Glazer's Wholesale				48,106,450	7	1.30%
Fenton Mercer Crossing Holding Co				46,500,000	8	1.26%
Lakeview at Parkside				43,140,060	9	1.17%
Loadstar, Inc.				38,900,000	10	1.05%
	$ 1,108,250,390		15.95%	$ 571,918,490		15.51%

Source: Dallas County, "City Report of Property Value," City of Farmers Branch
Notes:
(a) Total taxable value October 1, 2021 (2022 fiscal year) is $6,951,338,755.
(b) Total taxable value October 1, 2012 (2013 fiscal year) is $3,688,232,621.

CITY OF FARMERS BRANCH, TEXAS

TABLE 9

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	ACTUAL LEVY YEAR	ORIGINAL LEVY (1)	SUBSEQUENT ADJUSTMENTS	TOTAL LEVY	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS/ (REFUNDS) IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
					CURRENT TAX COLLECTIONS	PERCENT OF TOTAL LEVY COLLECTED		TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TOTAL LEVY
2013	2012	$ 19,529,192	$ (409,874)	$ 19,119,318	$ 19,081,323	99.80%	$ 28,094	$ 19,109,417	99.95%
2014	2013	21,268,861	78,555	21,347,416	21,112,294	98.90%	212,823	21,325,117	99.90%
2015	2014	25,393,026	(357,735)	25,035,291	24,917,704	99.53%	81,923	24,999,627	99.86%
2016	2015	27,340,502	(428,082)	26,912,420	26,719,748	99.28%	151,766	26,871,514	99.85%
2017	2016	29,226,869	(541,375)	28,685,494	28,371,356	98.90%	216,671	28,588,027	99.66%
2018	2017	30,727,576	(8,607)	30,718,969	30,399,097	98.96%	199,177	30,598,274	99.61%
2019	2018	33,426,335	(378,683)	33,047,652	33,064,557	100.05%	(143,326)	32,921,231	99.62%
2020	2019	37,250,601	(463,111)	36,787,490	36,897,441	100.30%	(233,031)	36,664,410	99.67%
2021	2020	36,820,910	3,170,819	39,991,729	40,300,904	100.77%	(433,646)	39,867,258	99.69%
2022	2021	40,943,385	1,479,205	42,422,590	42,196,219	99.47%		42,196,219	99.47%

Source: Dallas County Tax Office

Note:
(1) The original levy is as of July of the previous fiscal year and does not include any subsequent adjustments.

CITY OF FARMERS BRANCH, TEXAS

TABLE 10

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	GENERAL OBLIGATION BONDS	DEVELOPER ADVANCES	LEASES	TOTAL OUTSTANDING DEBT	TAXABLE ASSESSED VALUE	PERCENTAGE OF TAXABLE ASSESSED VALUE	ESTIMATED POPULATION (1)	DEBT PER CAPITA
Governmental Activities:								
2012	$ 21,289,001	$ 7,868,887		$ 29,157,888	$ 3,631,789,854	0.80%	28,620	$ 1,019
2013	29,815,281	7,468,887		37,284,168	3,688,232,621	1.01%	28,800	1,295
2014	44,365,676	7,007,028		51,372,704	3,845,391,617	1.34%	29,660	1,732
2015	41,268,133	6,557,028		47,825,161	4,216,240,665	1.13%	30,350	1,576
2016	40,762,188	5,727,028		46,489,216	4,539,598,200	1.02%	30,480	1,525
2017	37,342,191	4,437,028		41,779,219	4,852,809,226	0.86%	31,560	1,324
2018	59,135,530	2,401,028		61,536,558	5,101,985,597	1.21%	31,590	1,948
2019	55,232,993			55,232,993	5,575,637,174	0.99%	31,780	1,738
2020	60,949,386			60,949,386	6,213,539,033	0.98%	41,848	1,456
2021	56,287,366			56,287,366	6,251,427,895	0.90%	35,991	1,564
2022	75,181,055		302,839	75,483,894	6,951,338,755	1.09%	36,570	2,064

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Population based on North Central Texas Council of Governments (NCTCOG) original population estimates, with the exception of 2020 and 2021, which are based on the estimated U.S. Census. The U.S. Census Bureau subsequently lowered their original 2020 population estimate in July 2021.

CITY OF FARMERS BRANCH, TEXAS

TABLE 11

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	TOTAL	TAXABLE ASSESSED VALUE	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	ESTIMATED POPULATION (1)	PER CAPITA
2012	$ 21,289,001	$ 221,898	$ 21,067,103	$ 3,631,789,854	0.58%	28,620	$ 736
2013	29,815,281	243,741	29,571,540	3,688,232,621	0.80%	28,800	1,027
2014	44,365,676	258,606	44,107,070	3,845,391,617	1.15%	29,660	1,487
2015	41,268,133	232,113	41,036,020	4,216,240,665	0.97%	30,350	1,352
2016	40,762,188	926,091	39,836,097	4,539,598,200	0.88%	30,480	1,307
2017	37,342,191	488,376	36,853,815	4,852,809,226	0.76%	31,560	1,168
2018	59,135,530	725,906	58,409,624	5,101,985,597	1.14%	31,590	1,849
2019	55,232,993	2,799,117	52,433,876	5,575,637,174	0.94%	31,780	1,650
2020	60,949,386	2,997,410	57,951,976	6,213,539,033	0.93%	41,848	1,385
2021	56,287,386	3,976,972	52,310,414	6,251,427,895	0.84%	35,991	1,453
2022	75,181,055	2,552,786	72,628,269	6,951,338,755	1.04%	36,570	1,986

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Population based on North Central Texas Council of Governments (NCTCOG) original population estimates, with the exception of 2020 and 2021, which are based on the estimated U.S. Census.The U.S. Census Bureau subsequently lowered their original 2020 population estimate in July 2021.

CITY OF FARMERS BRANCH, TEXAS

TABLE 12

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2022
(UNAUDITED)

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE OVERLAPPING (1)	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt repaid with property taxes			
Carrollton/Farmers Branch Independent School District	$ 336,185,000	17.61%	$ 59,202,179
Dallas Independent School District	3,467,730,000	1.64%	56,870,772
Dallas County Hospital District	559,905,000	2.22%	12,429,891
Dallas County Community College District	110,835,000	2.22%	2,460,537
Dallas County	236,605,000	2.22%	5,252,631
Valwood Improvement Authority	7,015,000	40.60%	2,848,090
Subtotal, overlapping debt	4,718,275,000		139,064,100
City direct debt (2)	75,181,055	100.00%	75,181,055
Total direct and overlapping bonded debt	$ 4,793,456,055		$ 214,245,156
Ratio of overlapping bonded debt to taxable assessed valuation (valued at 100% of market value)		3.08%	
Per capita overlapping bonded debt		$ 5,858.49 (3)	

Source: Municipal Advisory Council of Texas

Notes:

(1) The "Estimated Percentage Overlapping" is determined by dividing the City's certified taxable value by the County and related other County entities certified taxable values. The share of market value for Carrollton/Farmers Branch ISD, Dallas ISD and Valwood Improvement Authority is calculated by the Dallas Central Appraisal District (DCAD) once every two years as these boundaries overlap within the City. (Source: Municipal Advisory Council of Texas)

(2) The City direct debt includes General Obligation Refunding Bonds, Taxable Series 2011, in the amount of $2,225,000, which are being paid from amounts received under the Ground Lease Agreement (the "Lease") entered into by the City and the Dallas Stars, L.P. and Certificates of Obligation, Series 2018 related to the Camelot Landfill project, for $1,155,000, which are being paid from a sale of land and an increase in royalty revenue from the landfill. The City direct debt also includes bond premiums/discounts.

(3) Based on estimated US Census.

TABLE 13

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	ESTIMATED POPULATION (1)	MEDIAN AGE (2)	PER CAPITA INCOME (2)	PERSONAL INCOME (3)	UNEMPLOYMENT RATE % (4)
2013	28,800	35.9	$ 27,545	$ 793,296,000	5.8%
2014	29,660	36.8	26,703	792,010,980	5.2%
2015	30,350	36.1	29,573	897,540,550	3.7%
2016	30,480	36.7	30,054	916,045,920	4.0%
2017	31,560	35.9	31,053	980,032,680	3.6%
2018	31,590	35.9	30,993	979,068,870	3.3%
2019	31,780	36.4	33,214	1,055,540,920	3.0%
2020	41,848	35.7	36,058	1,508,955,184	6.4%
2021	35,991	35.7	36,058	1,297,763,478	4.2%
2022	36,570	34.9	38,940	1,424,035,800	3.5%

Sources/Notes:

(1) Population based on North Central Texas Council of Governments (NCTCOG) original population estimates, with the exception of Fiscal Year 2020 and 2021, which are based on the estimated U.S. Census. The U.S. Census Bureau subsequently lowered their original 2020 population estimate in July 2021.

(2) Median Age and Per Capita Income data provided by U.S. Census Bureau's American Community Survey - 5 Year Estimates.

(3) Personal Income is derived by multiplying per capita income by the estimated population.

(4) Unemployment Rate % provided by Bureau of Labor Statistics.

The following information is provided by the U.S. Census Bureau based on 2020 estimated census information.

Households:	14,295	Male:	17,492
Families:	9,546	Female:	18,499

Race and Hispanic Origin:

White alone	71.70%
Black or African American alone	5.70%
American Indian and Alaska Native alone	0.40%
Asian alone	7.50%
Native Hawaiian and Other Pacific Islander alone	0.00%
Hispanic or Latino	49.10%
White alone, not Hispanic or Latino	34.90%
Two or More Races	4.70%

Source: U.S. Census Bureau

TABLE 14

PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO
(UNAUDITED)

	2022 (1)			2013 (1)		
EMPLOYERS	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Federal Government - Internal Revenue Service	1,200	1	1.53%	1,200	3	1.47%
Feizy	1,170	2	1.49%			
Anserteam LLC	1,001	3	1.28%			
Telvista	1,000	4	1.28%	1,000	5	1.22%
TD Industries	900	5	1.15%	900	6	1.10%
Haggar Clothing Company	750	6	0.96%	750	7	0.92%
IBM Corporation	700	7	0.89%	1,870	2	2.28%
Moni Smart Security (aka Monitronics or Brinks Home Security)	700	7	0.89%	700	8	0.86%
Encore Enterprises, Inc.	650	9	0.83%	650	9	0.79%
Glazer's Wholesale Drug Company	650	9	0.83%	650	9	0.79%
JPMorgan Chase Investment Services				2,390	1	2.92%
GEICO				1,088	4	1.33%
Celanese Corporation				650	9	0.79%
	8,721		11.13%	11,848		14.47%

Sources:

North Central Texas Council of Governments (NCTCOG) provides total employment estimates, which have a five-year lag. For 2022 estimated total employment is 78,393 and for 2013 estimated total employment was 81,840. (See NCTCOG 2030 Demographic Forecast and Demographic Data for Farmers Branch for further information.) The NCTCOG report is adjusted by the City of Farmers Branch finance department for businesses closed or moved prior to the reporting year.

Note:
(1) Employers with the same number of employees are ranked the same, which may result in the reporting of more than 10 employers.

CITY OF FARMERS BRANCH, TEXAS

TABLE 15

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

	Full-time Equivalent Employees as of September 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program										
General government	66.01	65.65	72.14	73.60	74.21	69.31	69.14	70.56	69.67	81.15
General administration	6.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00
Communications	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Economic development (1)	2.74	3.24	3.00	3.00	3.00	2.00	2.00	2.00	2.00	7.00
Human resources	6.00	7.00	7.00	7.47	6.47	7.75	7.75	6.75	6.48	7.48
Finance	25.18	23.48	24.48	28.24	29.38	18.21	18.21	18.73	18.96	19.96
Innovation and technology	0.00	0.00	0.00	0.00	0.00	11.89	11.89	12.89	12.75	14.25
Community services (1) (2)	23.94	24.70	28.00	26.19	27.00	20.00	20.00	20.00	20.00	8.00
Neighborhood services (1)	-	-	-	-	-	-	-	-	-	15.00
Other	0.15	0.23	2.66	1.70	1.36	1.46	1.29	2.19	1.48	1.46
Public safety	195.71	196.84	198.15	199.11	184.49	189.42	189.46	195.90	196.36	204.35
Police	115.04	115.04	116.32	115.85	100.85	102.60	102.60	104.60	104.60	111.60
Fire	78.58	78.60	78.19	79.37	79.38	82.70	82.70	88.70	88.00	89.00
Other	2.09	3.20	3.64	3.89	4.26	4.12	4.16	2.60	3.76	3.75
Public works	29.62	32.01	32.17	35.43	36.90	45.79	45.91	44.77	44.69	37.69
Public health/sustainability	0.00	0.00	0.00	0.00	0.00	20.17	20.17	20.17	19.00	12.00
Public works	27.00	28.00	31.00	34.17	35.17	24.00	24.00	24.00	24.00	24.00
Other	2.62	4.01	1.17	1.26	1.73	1.62	1.74	0.60	1.69	1.69
Culture and recreation	86.33	82.99	101.91	103.35	103.77	106.99	101.52	110.97	105.62	105.62
Parks	83.91	80.43	98.86	98.80	99.81	102.87	97.45	105.01	101.49	101.49
Tourism	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	1.67	2.56	3.05	4.55	3.96	4.12	4.07	5.96	4.13	4.13
Water and sewer	21.88	25.88	27.17	27.76	27.89	27.88	27.93	27.51	27.82	27.82
Water and sewer	21.88	25.88	26.46	27.00	27.00	27.00	27.00	27.00	27.00	27.00
Other	0.00	0.00	0.71	0.76	0.89	0.88	0.93	0.51	0.82	0.82
Fleet and facilities management	0.94	1.47	0.24	0.31	0.27	0.27	0.28	0.62	0.59	0.59
Fleet and facilities	0.94	1.47	0.24	0.31	0.27	0.27	0.28	0.62	0.59	0.59
Total	400.49	404.84	431.78	439.56	427.53	439.66	434.24	450.33	444.75	457.22

Source: City of Farmers Branch Finance Department

Notes:
Information is reported from amended budgets. In 2018, Innovation & Technology was separated from Finance and Public Health & Sustainability was separated from Public Works.

(1) The Planning division moved from the Community Services department to the Economic Development department in Fiscal Year 2021-22. The Animal Services division moved from the Sustainability and Public Health department to a new Neighborhood Services department and the code enforcement function of the Community Services department was moved to the new division.

CITY OF FARMERS BRANCH, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year						
	2013	2014	2015	2016	2017	2018	2019
Public safety							
Police							
Number of authorized full-time employees	112	112	113	113	98	100	100
Number of authorized sworn officers	74	74	74	74	74	76	76
Number of violations (citations)	14,124	15,629	13,332	10,948	13,095	11,612	12,111
Fire							
Number of authorized full-time employees	78	78	78	79	79	82	82
Number of EMS runs	2,470	2,357	2,589	2,887	2,878	2,854	2,933
Number of fire runs	1,552	1,495	1,601	1,823	1,759	1,843	2,026
Public works							
Street reconstruction (lane-miles)	0.0	0.0	1.4	1.2	2.8	0.0	0.1
Street resurfacing (lane-miles)	0.0	2.9	22.0	9.6	1.0	11.5	4.7
Culture and recreation							
Parks							
Recreation memberships sold (basic)	1,286	824	1,347	1,364	1,442	1,866	1,409
Recreation memberships sold (fitness)	1,015	813	1,019	1,055	1,059	1,191	1,112
Total pool admissions (1)	8,446	0	51,547	40,963	61,847	68,309	82,857
Visits to Historical Park	86,309	60,406	85,799	95,847	109,785	102,413	32,013
Library							
Volumes borrowed	347,092	352,076	343,592	303,513	274,219	191,735	177,901
Volumes in library collection	131,452	135,173	137,586	136,953	132,602	116,238	116,093
Water and sewer							
Average daily water consumption (thousands of gallons)	7,718	7,458	7,743	8,048	7,084	7,901	7,560
Number of water consumers	9,572	9,628	9,729	9,770	9,770	9,937	10,182
Total water purchased (thousands of gallons)	2,817,138	2,722,003	2,826,124	2,937,377	2,585,683	2,883,997	2,759,506
Total waste water consumption (thousands of gallons)	1,121,936	1,172,130	1,300,202	1,732,552	1,712,000	1,549,501	1,594,644

Sources: Various City departments.

Note:

(1) Total pool admissions have been restated for fiscal years 2015 and 2016 to include all pool admissions; previously, only daily-pass holders were included in the count. For the period ending 2020, the aquatics center ceased operations beginning March 13 and reopened June 15 to the public at 50% capacity in light of the COVID-19 pandemic.

Fiscal Year		
2020	2021	2022
102	102	105
78	78	80
5,262	8,016	5,712
88	88	89
2,883	3,458	3,519
2,142	2,490	2,238
0.0	0.0	0.0
0.0	8.1	2.7
936	515	354
1,696	3,526	2,062
32,452	37,783	41,193
19,549	19,070	35,753
139,239	140,366	195,796
90,711	77,389	84,334
7,617	7,596	7,553
10,477	10,784	11,242
2,780,257	2,772,384	2,756,901
1,666,056	1,594,355	1,525,702

CITY OF FARMERS BRANCH, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year					
	2013	2014	2015	2016	2017	2018
General government						
Number of general government buildings	1	1	1	1	1	1
Public safety						
Number of fire stations	3	3	3	3	3	3
Number of patrol units	15	15	15	15	19	19
Number of police stations	1	1	1	1	1	1
Public works						
Landfill capacity (million cubic yards)	24.5	24.5	24.5	24.5	53.2	53.2
Number of traffic signals	58	55	55	55	55	55
Streets (lane miles) (1)	411	411	411.5	412.0	413.1	413.1
Culture and recreation						
Number of aquatic centers (2)	1	0	1	1	1	1
Number of historical parks	1	1	1	1	1	1
Number of libraries	1	1	1	1	1	1
Number of parks	31	31	31	31	28	28
Number of playgrounds	13	13	13	13	13	13
Number of recreation centers	1	1	1	1	1	1
Number of senior centers	1	1	1	1	1	1
Parks acreage (3)	392	392	392	392	450	450
Utilities						
Number of fire hydrants	2,012	2,012	2,041	2,093	2,171	2,171
Sanitary sewers (miles)	162.0	165.9	166.0	152.9	162.8	162.8
Storage capacity (millions of gallons)	21.5	21.5	21.5	21.5	21.5	21.5
Storm sewers (miles) (1)	104	104	112	112	112.5	112.5
Water mains (miles)	203.0	206.6	206.6	201.3	202.4	202.4

Sources: Various City departments.

Notes:

(1) Total street and storm sewer miles were reduced in 2020 due to enhanced GIS information and the removal of streets and storm sewer miles that became private property.

(2) The City's pool was demolished in 2014 and construction of a new aquatics center began in 2014. Construction of the aquatics center was completed in 2015.

(3) Parks acreage was changed in 2021 to reflect only actual parks acreage. Prior year data included all acreage maintained by the Parks department.

2019	2020	2021	2022
1	1	1	1
3	3	3	3
19	19	21	21
1	1	1	1
53.2	53.2	53.2	53.2
58	59	60	60
427.1	405.0	400.0	401.0
1	1	1	1
1	1	1	1
1	1	1	1
28	28	28	28
13	13	13	13
1	1	1	1
1	1	1	1
450	450	258.93	258.93
2,267	2,373	2,439	2,442
170.3	174.0	176.4	176.5
21.5	21.5	21.5	21.5
119.3	102.1	102.6	103.4
215.0	220.6	224.5	224.6

CITY OF FARMERS BRANCH, TEXAS

TABLE 18

SCHEDULE OF INSURANCE POLICIES IN FORCE
SEPTEMBER 30, 2022
(UNAUDITED)

POLICY ISSUED BY	AM BEST RATING	POLICY NUMBER	POLICY PERIOD	COVERAGE	DEDUCTIBLES	LIABILITY LIMITS	
Texas Municipal League Intergovernmental Risk Pool	Property & Auto = A- Workers' Comp = A Cyber = A	04687	10/1/2021 9/30/2022	General Liability	$ 100,000	$ 5,000,000	
				Real and Personal Property	5,000	As Scheduled	
				Auto Liability	25,000	1,000,000	
				Auto Physical Damage	2,500	Per Schedule	
				Law Enforcement Liability	100,000	10,000,000	
				Errors & Omissions	50,000	2,000,000	
				Mobile Equipment	5,000	As Scheduled	
				Workers' Compensation	N/A	350,000	*(SIR)
			10/1/2021 2/14/2022	Cyber Insurance - Core	See "Cyber - Core"	Per Schedule	
			2/15/2022 9/30/2022	Cyber Insurance - Core +	See "Cyber - Core"	Per Schedule	
The Hartford Casualty Insurance Co.	A+	61BSBHP5615	12/19/2021 12/19/2022	Fidelity Bond for Finance Director	2,500	250,000	
Mid-Continent Casualty Company	A+ IX	04-TOP-000022824	10/1/2021 10/1/2022	Pollution Liability	1,000,000	2,000,000	
QBE Ins Corporation	A	LGS02069-22	1/1/2022 12/31/2022	Stop Loss Coverage	150,000	1,000,000	

Source: City of Farmers Branch Risk Manager

Notes: Claims Administrator - Workers' Compensation, TML Claims, 18601 LBJ Freeway, Suite 210, Town East Tower, Mesquite, Texas 75150.

CONTINUING FINANCIAL DISCLOSURE SECTION

(Unaudited)

The Continuing Financial Disclosure Section presents various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of the fiscal year ending on or after September 30, 1999. The financial tables that follow are updated through September 30, 2022, from the last debt issues that were dated August 2022. This financial information is also sent to each nationally recognized municipal securities information repository ("NRMSIR") and to any state information depository ("SID") that is designated by the State of Texas and approved by the Securities and Exchange Commission ("SEC").

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-1

VALUATION, EXEMPTIONS, AND GENERAL OBLIGATION DEBT
(UNAUDITED)

2022-2023 Market Valuation Established by DCAD			$ 9,676,554,200
Less Exemptions/Reductions at 100% Market Value:			
Totally Exempt Parcels		$ 561,775,770	
Homestead		371,435,535	
Freeport		206,807,518	
Over 65		232,421,287	
Capped Value Loss		189,962,387	
Agricultural		27,647,031	
Disabled Persons		11,571,384	
Veteran 100% Disabled		6,901,404	
Disabled Veterans		826,500	
Prorated Total Exempt		189,803	
Under 500		586,440	
Pollution Control		218,752	
Mineral Rights		1,400	
Total Exemptions			1,610,345,211
2022-2023 Net Taxable Assessed Valuation			$ 8,066,208,989
City Funded Debt Payable from Ad Valorem Taxes			$ 75,181,055
Less: Self Supporting Debt			
Series 2011 General Obligation Refunding Bonds	(1)		2,740,526
Series 2018 Certificates of Obligation - Landfill Project	(2)		2,347,531
Net General Obligation Debt Payable from Ad Valorem Taxes			$ 70,092,998
General Obligation Interest and Sinking Fund			2,552,786
Ratio of Gross General Obligation Tax Debt to Taxable Assessed Valuation			0.932%
Ratio of Net General Obligation Tax Debt to Taxable Assessed Valuation			0.869%

2023 Estimated Population -	38,140
Per Capita Taxable Assessed Valuation -	$211,489
Per Capita Funded Debt Payable from Ad Valorem Taxes -	$1,423

Notes:

(1) This debt consists of General Obligation Refunding Bonds, Taxable Series 2011, which are self-supporting based upon amounts received under a Ground Lease Agreement (the "Lease") entered into by the City and the Dallas Stars, L.P., with respect to the Dallas Stars Ice Skating facility located in the City. Payments under the Lease are not pledged to the payment of the bonds. If the City determines not to use payments under the Lease, or if such amounts are insufficient to pay debt service on the bonds, the City will be required to assess an ad valorem tax to pay such obligations.

(2) This debt consists of the portion of the Certificates of Obligation, Series 2018, for the Camelot Landfill project which are expected to be self-supporting from an increase in royalty revenue and a sale of land at the landfill. If the City determines not to use these revenue sources, or if such amounts are insufficient to pay debt service on the bonds, the City will be required to assess an ad valorem tax to pay such obligations.

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-2

TAXABLE ASSESSED VALUATIONS BY CATEGORY
(UNAUDITED)

	2023		2022		2021	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	$ 2,852,485,430	29.48%	$ 2,412,356,700	29.05%	$ 2,144,776,600	28.24%
Real, Residential, Multi-Family	1,741,961,480	18.00%	1,441,680,070	17.36%	1,263,119,750	16.63%
Real, Vacant Lots/Tracts	177,592,600	1.84%	192,020,310	2.31%	179,261,330	2.36%
Real, Commercial	3,341,712,310	34.53%	2,868,687,670	34.55%	2,587,208,370	34.06%
Real, Industrial	23,002,020	0.24%	23,531,410	0.28%	19,599,930	0.26%
Real, Oil, Gas, and Other Mineral Reserves	1,400	0.00%	1,400	0.00%	1,400	0.00%
Real and Tangible Personal, Utilities	95,975,470	0.99%	102,465,320	1.23%	100,293,170	1.32%
Tangible Personal, Commercial	1,262,178,500	13.04%	1,097,355,400	13.22%	1,115,892,190	14.69%
Tangible Personal, Industrial	181,644,990	1.88%	165,067,350	1.99%	185,619,700	2.44%
Total Appraised Value Before Exmeptions	9,676,554,200	100.00%	8,303,165,630	100.00%	7,595,772,440	100.00%
Less: Total Exemptions/Reductions	1,610,345,211		1,351,826,875		1,344,344,545	
Taxable Assessed Value	$ 8,066,208,989		$ 6,951,338,755		$ 6,251,427,895	

	2020		2019	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	$ 1,961,050,990	26.22%	$ 1,776,936,430	26.16%
Real, Residential, Multi-Family	1,053,862,590	14.09%	739,090,620	10.88%
Real, Vacant Lots/Tracts	254,544,760	3.40%	234,535,830	3.45%
Real, Commercial	2,813,299,960	37.62%	2,697,663,820	39.72%
Real, Industrial	17,071,380	0.23%	16,230,810	0.24%
Real, Oil, Gas, and Other Mineral Reserves	1,400	0.00%	1,400	0.00%
Real and Tangible Personal, Utilities	100,848,930	1.35%	100,775,320	1.48%
Tangible Personal, Commercial	1,103,342,530	14.75%	1,052,406,710	15.50%
Tangible Personal, Industrial	174,059,610	2.33%	173,918,870	2.56%
Total Appraised Value Before Exmeptions	7,478,082,150	100.00%	6,791,559,810	100.00%
Less: Total Exemptions/Reductions	1,264,543,117		1,215,922,636	
Taxable Assessed Value	$ 6,213,539,033		$ 5,575,637,174	

Notes:
Valuations shown are certified taxable assessed values reported by the Dallas Central Appraisal District (DCAD) to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the DCAD updates records.

TABLE CD-3

VALUATION AND GENERAL OBLIGATION DEBT HISTORY
(UNAUDITED)

FISCAL YEAR	ESTIMATED POPULATION (1)	TAXABLE ASSESSED VALUATION	TAXABLE ASSESSED VALUATION PER CAPITA (2)	G.O. TAX DEBT OUTSTANDING AT END OF YEAR (3)	RATIO OF G.O. TAX DEBT TO TAXABLE ASSESSED VALUATION (2)	G.O. TAX DEBT PER CAPITA (2)(3)
2019	31,780	$ 5,575,637,174	$ 175,445	$ 55,232,993	0.99%	$ 1,738
2020	41,848	6,213,539,033	148,479	60,949,386	0.98%	1,456
2021	35,991	6,251,427,895	173,694	56,287,366	0.90%	1,564
2022	36,570	6,951,338,755	193,141	72,225,000	1.04%	1,975
2023	38,140	8,066,208,989	211,489	67,715,000	0.84%	1,775

Notes:

(1) Based on North Central Texas Council of Governments original population estimates with the exception of the current fiscal year, which is a projection.

(2) As reported by the Dallas Central Appraisal District on the City's Annual State Property Tax Reports; subject to change during the ensuing year.

(3) Includes self-supporting debt Taxable Series 2011 General Obligation Refunding Bonds, Series 2018 Certificates of Obligation for the Camelot Landfill project, and Series 2022 Certificates of Obligation for the Dallas Stars Multi-Sport Complex.

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-4

TAX RATE, LEVY, AND COLLECTION HISTORY
LAST FIVE FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	TAX RATE	GENERAL FUND	I & S FUND	TOTAL ADJUSTED TAX LEVY	% CURRENT COLLECTIONS	% TOTAL COLLECTIONS
2018	$ 0.6023	$ 0.5177	$ 0.0846	$ 30,718,969	98.96%	99.61%
2019	0.5995	0.5167	0.0828	33,047,652	100.05%	99.62%
2020	0.5995	0.5273	0.0722	36,787,490	100.30%	99.67%
2021	0.5890	0.5062	0.0828	39,991,729	100.77%	99.69%
2022	0.5890	0.5272	0.0618	42,422,590	99.47%	99.47%

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-5

TEN LARGEST TAXPAYERS
FISCAL YEAR 2023
(UNAUDITED)

TAXPAYER	NATURE OF PROPERTY	TAXABLE VALUE	PERCENTAGE OF TOTAL CERTIFIED TAXABLE VALUE
JDFW Boardwalk LLC	Real Estate Development	$ 168,300,000	2.09%
WRIA 2017 2 LP	Real Estate Development	163,000,000	2.02%
Southern Glazers Wine and Spirits	Spirit and Wine Distribution	137,266,110	1.70%
Royal TX Partners LLC	Real Estate - Office/Showroom	117,500,000	1.46%
UDR Canal I LLC	Real Estate Development	105,000,000	1.30%
EOS Properties at Providence Towers	Office Tower - Class A	99,250,000	1.23%
Mercer Acquisition LLC	Real Estate Development	96,000,000	1.19%
International Plaza I	Office Tower - Class A	95,000,000	1.18%
Lakeside Lofts Owner LLC	Real Estate Development	94,745,000	1.17%
Dallas International Parkway	Office Tower - Class A	92,000,000	1.14%
		$ 1,168,061,110	14.48%

Source: Dallas County, "City Report of Property Value," City of Farmers Branch. The total certified taxable value for the 2022-23 fiscal year is $8,066,208,989.

2023 Principal and Interest Requirements (1)		$	4,663,659
$0.0585	Tax Rate at 99% Collection Produces		4,671,545
Average Annual Principal and Interest Requirements, 2023-2039 (1)		$	3,245,827
$0.0407	Tax Rate at 99% Collection Produces		3,250,118
Maximum Annual Net Principal and Interest Requirements, 2024		$	4,367,264
$0.0547	Tax Rate at 99% Collection Produces		4,368,094

Note:
(1) Excludes self-supporting debt Taxable Series 2011 General Obligation Refunding Bonds, Series 2018 Certificates of Obligation for the Camelot Landfill project, and Series 2022 Certificates of Obligation for the Dallas Stars Multi-Sport Complex. Debt includes premiums/discounts.

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-7

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS
(UNAUDITED)

FISCAL YEAR	OUTSTANDING DEBT (1) PRINCIPAL	INTEREST	TOTAL	LESS SELF-SUPPORTING DEBT (2)	NET DEBT SERVICE REQUIREMENTS	% OF PRINCIPAL RETIRED
2023	$ 4,835,000	$ 2,643,571	$ 7,478,571	$ 2,835,196	$ 4,643,375	6.66%
2024	4,145,000	2,454,288	6,599,288	2,232,024	4,367,264	5.71%
2025	3,875,000	2,304,365	6,179,365	2,228,957	3,950,408	5.34%
2026	4,025,000	2,158,637	6,183,637	2,233,385	3,950,252	5.55%
2027	3,560,000	2,029,473	5,589,473	1,643,089	3,946,384	4.91%
2028-2032	19,125,000	8,101,206	27,226,206	8,201,347	19,024,859	26.36%
2033-2037	17,110,000	4,886,524	21,996,524	8,202,177	13,794,347	23.58%
2038-2042	8,590,000	2,514,189	11,104,189	8,204,474	2,899,715	11.84%
2043-2047	7,285,000	914,798	8,199,798	8,199,798	-	10.04%
	$ 72,550,000	$ 28,007,051	$ 100,557,051	$ 43,980,447	$ 56,576,604	100.00%

Notes:
(1) "General Obligation Bonds" do not include lease/purchase obligations. Debt includes premiums/discounts.

(2) Self-Supporting Debt: Taxable Series 2011 General Obligation Refunding Bonds, Series 2018 Certificates of Obligation for Camelot Landfill project, and Series 2022 Certificates of Obligation for the Dallas Stars Multi-Sport Complex.

INTEREST AND SINKING FUND BUDGET PROJECTION
(UNAUDITED)

Net Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/23		$ 4,643,375
Interest and Sinking Fund, 9/30/22	2,552,786	
Budgeted Interest and Sinking Fund Tax Levy	4,437,800	
Budgeted Penalty and Interest	20,000	7,010,586
Estimated Balance, 9/30/23		$ 2,367,211

Note:
(1) Excludes self-supporting debt Taxable Series 2011 General Obligation Refunding Bonds, Series 2018 Certificates of Obligation for the Camelot Landfill project, and Series 2022 Certificates of Obligation for the Dallas Stars Multi-Sport Complex. Debt includes premiums/discounts.

COMPUTATION OF SELF-SUPPORTING DEBT
(UNAUDITED)

Stars Center Revenues (1)	$	600,000
Landfill Revenues (2)		1,181,700
Less: Requirements for Taxable Series 2011 General Obligation Refunding Bonds		597,485
Less: Requirements for Series 2018 Certificates of Obligation for Camelot Landfill project		1,240,157
Deficit amount to be paid from available fund balance	$	(55,942)

Notes:

(1) The Taxable Series 2011 General Obligation Refunding Bonds refunded Taxable Series 2004 Certificates of Obligation. The Taxable Series 2004 Certificates of Obligation were self-supporting general obligation debt based upon amounts received under the terms of a Ground Lease Agreement (the "Lease") between the City and the lessee, the Dallas Stars, L.P. (the "Dallas Stars"), which Lease relates to the community-style recreational ice-skating and conference facility financed in part with the proceeds of the Series 2004 Taxable Certificates. The obligation of the Dallas Stars to make lease payments to the City to support the payment of the bonds is dependent on the satisfaction of certain ongoing requirements in the Lease. If the lease payments discontinue, the City will be required to assess an ad valorem tax for the payment of the bonds.
(2) The Series 2018 Certificates of Obligation related to the Camelot Landfill project are expected to be self-supported from an increase in royalty revenue from the landfill. If the landfill payments discontinue, the City will be required to assess an ad valorem tax for the payment of the bonds.

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-10

HOTEL/MOTEL TAX REVENUE
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	HOTEL/MOTEL TAX REVENUE	NUMBER OF ROOMS
2013	$ 2,253,459	2,137
2014	2,396,399	2,137
2015	2,728,631	2,137
2016	2,959,667	2,137
2017	2,892,655	2,137
2018	2,849,666	1,957
2019	3,115,374	2,146
2020	1,794,067	2,272
2021	1,683,018	2,272
2022	2,913,839	2,273

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-11

HOTEL OCCUPANCY TAXPAYERS
SEPTEMBER 30, 2021
(UNAUDITED)

HOTEL	NUMBER OF ROOMS	TAXES PAID	% OF TOTAL
Doubletree by Hilton Dallas Near the Galleria	290	$ 557,719	19.14%
Sheraton Dallas Hotel by the Galleria	317	511,955	17.57%
Renaissance Dallas North (formerly Dallas Park West Hotel)	337	405,795	13.93%
Doubletree by Hilton Dallas-Farmers Branch	160	355,911	12.21%
Hampton Inn & Suites	116	237,085	8.14%
Holiday Inn Express & Suites	104	181,454	6.23%
Wyndam Corporation	350	132,735	4.56%
Comfort Inn & Suites (aka Parkside Hotel; formerly Fairfield Inn)	106	124,374	4.27%
Candlewood Suites	86	109,970	3.77%
Motel 6 Dallas	108	91,688	3.15%
Super 8 North Dallas	51	46,578	1.60%
Econolodge Dallas Airport North	112	45,302	1.55%
ARYA (formerly Days Inn North Dallas)	51	40,122	1.38%
Extended Stay America #6069	83	39,070	1.34%
Stripe Accounts-Short Term Rentals	Varies	25,392	0.87%
Goldnest Oren Property Mgmt	1	5,098	0.17%
Ready Set Build Management	1	3,591	0.12%
	2,273	$ 2,913,839	100.00%

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-12

CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES
FISCAL YEARS ENDED SEPTEMBER 30
(UNAUDITED)

	FISCAL YEARS ENDED SEPTEMBER 30				
	2022	2021	2020	2019	2018 (1)
REVENUES:					
Program revenues:					
Charges for services	$ 15,283,649	$ 16,709,860	$ 13,114,957	$ 16,947,249	$ 14,497,565
Operating grants and contributions	930,087	1,565,257	2,177,925	516,444	719,367
Capital grants and contributions	457,008	4,164,801	5,920,245	10,004,978	6,471,947
General revenues:					
Taxes:					
Property taxes, levied for general purposes	36,920,934	34,131,625	30,636,546	27,431,177	25,617,820
Property taxes, levied for debt service	4,414,339	4,973,900	4,443,207	4,584,944	4,309,918
Sales and use taxes	24,413,463	18,737,374	17,164,707	17,410,323	14,618,441
Hotel/motel taxes	2,913,839	1,683,018	1,794,067	3,115,374	2,849,666
Franchise taxes	3,856,016	3,885,156	3,873,220	4,150,775	4,248,862
Tax increment financing	860,064	1,557,120	4,513,776	7,351,606	4,934,111
Investment income	(353,710)	1,031,746	2,393,143	2,935,658	1,787,154
Grants not restricted to a specific purpose	2,546,527		9,979,973		
Gain on sale/retirement and miscellaneous	149,346	41,584	2,280,136	35,918	17,136
Total revenues	92,391,562	88,481,441	98,291,902	94,484,446	80,071,987
EXPENSES:					
General government	20,254,045	17,255,980	21,181,076	19,575,431	16,174,829
Public safety	24,240,573	26,422,950	29,902,691	29,155,722	25,966,603
Public works	14,182,657	14,984,662	12,899,719	13,841,348	12,433,845
Culture and recreation	16,005,075	13,626,946	14,243,692	15,349,830	13,864,483
Principal retirement	417,521				
Interest on long-term debt	2,064,562	1,527,200	1,823,611	3,474,315	2,812,608
Unallocated depreciation	466,577	145,929	185,799	246,659	272,867
Total expenses	77,631,010	73,963,667	80,236,588	81,643,305	71,525,235
Change in net position before transfers	14,760,552	14,517,774	18,055,314	12,841,141	8,546,752
Transfers	4,739,339	3,899,519	11,947,117	2,270,926	4,227,900
Change in net position	19,499,891	18,417,293	30,002,431	15,112,067	12,774,652
Net position--beginning	156,785,704	138,368,411	108,365,980	93,253,913	80,479,261
Net position--ending	$ 176,285,595	$ 156,785,704	$ 138,368,411	$ 108,365,980	$ 93,253,913

(1) The fiscal year 2018 governmental activities (Net position - beginning) were restated with implementation of GASB Statement 75 to record a beginning net OPEB liability and deferred outflow of resources for contributions made between the measurement date and fiscal year end.

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-13

GENERAL FUND REVENUE AND EXPENDITURE HISTORY
FISCALS YEARS ENDED SEPTEMBER 30
(UNAUDITED)

	FISCAL YEARS ENDED SEPTEMBER 30				
	2022	2021	2020	2019	2018
REVENUES					
Property, sales, and franchise taxes	$ 64,703,376	$ 56,693,276	$ 51,521,257	$ 48,874,564	$ 44,470,529
Licenses and permits	2,700,392	3,810,089	2,883,283	3,712,038	5,016,007
Charges for services	9,698,983	8,416,478	7,056,305	7,528,129	6,257,776
Fines and forfeitures	1,159,482	1,447,925	1,560,596	1,969,185	1,821,404
Investment income	(302,292)	272,084	1,026,467	1,198,165	811,617
Intergovernmental					250,000
Miscellaneous	78,887	36,370	63,699	91,213	119,488
Total revenues	78,038,828	70,676,222	64,111,607	63,373,294	58,746,821
EXPENDITURES					
General government	15,209,950	14,509,967	18,300,051	14,796,687	13,176,510
Public safety	28,891,395	27,236,275	28,555,541	25,706,131	24,612,190
Public works	9,564,782	10,067,222	9,623,549	9,183,961	8,609,423
Culture and recreation	12,543,218	14,063,704	11,275,025	11,845,713	11,156,834
Principal retirement	69,556				
Interest and fiscal agent charges	28,465				
Issuance costs	-				
Capital outlay	2,446,069				
Total expenditures	68,753,435	65,877,168	67,754,166	61,532,492	57,554,957
Excess (deficiency) of revenues over (under) expenditures	9,285,393	4,799,054	(3,642,559)	1,840,802	1,191,864
OTHER FINANCING SOURCES (USES)					
Transfers in	5,307,900	5,013,400	4,787,700	4,714,300	5,203,200
Transfers out	(8,469,700)	(3,620,881)	(3,875,700)	(3,066,200)	(1,820,000)
Sale of capital assets/insurance recoveries	167,281	258,054	2,614,178	128,124	1,170,523
Total other financing sources	(2,994,519)	1,650,573	3,526,178	1,776,224	4,553,723
Net change in fund balance	6,290,874	6,449,627	(116,381)	3,617,026	5,745,587
Fund balances--beginning	30,026,337	23,576,710	23,693,091	20,076,065	14,330,478
Fund balances--ending	$ 36,317,211	$ 30,026,337	$ 23,576,710	$ 23,693,091	$ 20,076,065

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-14

MUNICIPAL SALES TAX HISTORY
LAST FIVE FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	TOTAL COLLECTED	% OF AD VALOREM TAX LEVY	EQUIVALENT OF AD VALOREM TAX RATE	PER CAPITA
2018	$ 14,618,441	47.57%	$ 0.2865	$ 462.76
2019	17,410,323	52.09%	0.3123	547.84
2020	17,164,707	46.08%	0.2762	410.17
2021	18,737,374	50.89%	0.2997	520.61
2022	24,413,463	59.63%	0.3512	667.58

The sales tax breakdown for the City is as follows:

Dallas Area Rapid Transit (DART)	1.00¢
City Sales and Use Tax	1.00¢
State Sales and Use Tax	6.25¢
Total	8.25¢

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-15

CURRENT INVESTMENTS
SEPTEMBER 30, 2022
(UNAUDITED)

DESCRIPTION OF INVESTMENT	% OF PORTFOLIO	PURCHASE PRICE	MARKET VALUE
Municipal Obligations	29.72%	$ 39,278,759	$ 37,321,464
Federal Farm Credit Bank	2.09%	2,733,637	2,623,990
TexPool	26.99%	33,901,747	33,901,747
US Treasury Bill	41.20%	52,474,371	51,744,758
	100.00%	$ 128,388,514	$ 125,591,959

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-16

HISTORICAL WATER AND WASTEWATER USAGE
LAST FIVE FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	WATER USAGE AMOUNT IN GALLONS (000) TOTAL CONSUMPTION	PEAK DAY	AVERAGE DAY	WASTE WATER CONSUMPTION AMOUNT IN GALLONS (000) TOTAL USAGE
2018	2,883,997	13,962	7,901	1,549,501
2019	2,759,506	15,687	7,560	1,594,644
2020	2,780,257	13,428	7,617	1,666,056
2021	2,772,384	11,665	7,596	1,594,355
2022	2,756,901	14,379	7,553	1,525,702

Note: Total consumption represents total gallons of water purchased by the City.

TABLE CD-17

TOP TEN WATER CONSUMERS
SEPTEMBER 30, 2022
(UNAUDITED)

CONSUMER	TYPE OF INDUSTRY	2021-22 CONSUMPTION (GALLONS)	% OF TOTAL CONSUMPTION	2021-22 REVENUES	% OF REVENUES
Qorvo Texas LLC	Real Estate	36,340,000	1.3%	$ 275,299	1.6%
Mercer Residential West	Multi-Family Housing	29,669,000	1.1%	226,171	1.3%
Royal Texas Partners LLC	Multi-Family Housing	34,426,000	1.2%	310,732	1.8%
UDR Canal I	Real Estate	28,617,000	1.0%	248,352	1.4%
FB Creek Partners (Cooks Creek Apts)	Multi-Family Housing	28,305,000	1.0%	225,848	1.3%
Dallas County Community College	Education	25,380,000	0.9%	209,253	1.2%
Lakeside Lofts	Multi-Family Housing	23,626,000	0.9%	198,935	1.1%
Boxer F2	Real Estate	23,342,000	0.8%	196,014	1.1%
Towers at Mercer Crossing	Multi-Family Housing	21,481,000	0.8%	166,861	1.0%
Lakeview at Parkside	Multi-Family Housing	20,805,000	0.8%	234,477	1.3%

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-18

MONTHLY WATER AND SEWER RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

	WATER RATES				SEWER RATES		
	MONTHLY	PER 1,000 GALLONS			MONTHLY	RATE PER 1,000 GALLONS	
FISCAL YEAR	BASE 2,000 GALLONS	NEXT 8,000 GALLONS	NEXT 10,000 GALLONS	OVER 20,000 GALLONS	BASE 2,000 GALLONS	NEXT 8,000 GALLONS (1)	OVER 10,000 GALLONS (1)
2013	$ 12.04	$ 3.27	$ 3.68	$ 3.82	$ 12.59	$ 1.71	$ 1.71
2014	12.76	3.47	3.90	4.05	13.35	1.81	1.81
2015	14.29	3.89	4.37	4.54	14.95	2.03	2.03
2016	16.44	4.47	5.03	5.22	17.19	2.33	2.33
2017	17.92	4.87	5.48	5.69	18.74	2.54	2.54
2018	19.75	5.40	6.05	6.30	20.65	2.80	3.80
2019	20.94	5.72	6.41	6.68	21.89	2.97	4.03
2020	21.99	6.01	6.73	7.01	22.99	3.12	4.23
2021	21.99	6.01	6.73	7.01	22.99	3.12	4.23
2022	21.99	6.01	6.73	7.01	22.99	3.12	4.23

Notes:

Rates are based on 3/4" and 5/8" meters, which are the standard household meter sizes. The City charges an additional rate for non-standard meter sizes.

(1) Private residents are not charged for sewer beyond 10,000 gallons.

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-19

CONDENSED STATEMENT OF WATER AND SEWER SYSTEM OPERATIONS
FISCAL YEARS ENDED SEPTEMBER 30
(UNAUDITED)

	FISCAL YEARS ENDED SEPTEMBER 30				
	2022	2021	2020	2019	2018
REVENUES					
Charges for services	$ 30,886,842	$ 27,321,970	$ 26,312,327	$ 24,264,193	$ 23,719,987
Investment income (loss)	(339,664)	(15,076)	188,591	228,282	72,068
Miscellaneous	44,782	7,658	16,355	35,886	98,751
Total revenues	30,591,960	27,314,552	26,517,273	24,528,361	23,890,806
EXPENSES					
Personal services	1,681,001	1,932,363	2,263,041	2,310,746	2,004,824
Materials and supplies	286,416	265,954	256,041	277,884	267,072
Maintenance and utilities	1,748,986	1,443,145	1,198,884	1,415,092	1,512,971
Purchase of water	6,668,954	5,658,171	5,424,919	5,343,572	6,084,328
Sewage treatment	4,615,631	4,782,110	4,188,084	4,511,094	4,833,069
Total expenses	15,000,988	14,081,743	13,330,969	13,858,388	14,702,264
Net available for debt service	$ 15,590,972	$ 13,232,809	$ 13,186,304	$ 10,669,973	$ 9,188,542
CUSTOMERS	11,242	10,784	10,477	10,182	9,937

Notes:
The above calculation of amounts available for payment of system debt service excludes non-cash expenses such as depreciation and amortization. Debt service payments are also excluded. Certain nonoperating revenue sources, principally investment income, are included.

CITY OF FARMERS BRANCH, TEXAS

TABLE CD-20

AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS
(UNAUDITED)

PURPOSE	DATE AUTHORIZED	AMOUNT AUTHORIZED	AMOUNT PREVIOUSLY ISSUED	UNISSUED BALANCE
Infrastructure	11/7/2017	$ 4,000,000	$ 4,000,000	$
Parks & Open Space	11/7/2017	7,000,000	7,000,000	
Neighborhood Dev	11/7/2017	4,000,000	4,000,000	
		$ 15,000,000	$ 15,000,000	$